Daily Report

Latin America

FBIS-LAT-94-008
Wednesday
12 January 1994

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FBIS-LAT-94-008 *12 January 1994*

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Cuba

Castro Attends Signing of Colombian Health Accord

FL1101151094 Havana Radio Rebelde Network in Spanish 1000 GMT 11 Jan 94

[Text] Commander in Chief Fidel Castro attended the ceremony for the signing of a bilateral cooperation agreement between Cuba and Colombia. It was signed by the public health ministers of the two countries, Julio Teja and Juan Luis Londono.

Fidel briefed the Colombian minister on the characteristics of the family doctor program, its origins, and the important role it plays in the community. Fidel further pointed out the program's contribution in reducing the infant mortality rate to 9.4 in 1993. He spoke of the training of specialists in general medicine, the elevated level of professionalism attained by the nurses, and the creation of medical science departments throughout the country.

The agreement includes prioritized areas such as primary attention, epidemiologic surveillance, human resource training, essential and generic medicines, and vaccinations.

Sailors Report Attempted Manipulation by ITF

FL1101214594 Havana Radio Rebelde Network in Spanish 1800 GMT 11 Jan 94

[Text] The motor vessel (Brothers) has arrived in port in Cuba after a 15-month voyage, during which time its crew bravely confronted a seige by officials of the International Transport Workers Federation, ITF, who tried to manipulate our sailors, making them out to be demanding salaries and other such things. The incident occurred in the Norwegian port of (Aldratagen), where the (Brothers) arrived carrying a shipment of aluminum powder for a factory located there. For several days, they were beseiged by the gentlemen from the ITF, who tried to make the Cubans out to be strikers demanding salaries. The staunch unity of the vessel's 28 crew members and their powerful response was not long in coming, and by means of placards and statements to the press and to television—means that were also used by the ITF people to coerce them—the Cubans denied the fib.

The (Brothers) returned victorious, and is now in the port of Cienfuegos unloading 22,000 tons of rice from Indonesia. There we spoke with officers and crew members as well as with the vessel's captain, Rogelio Rivero, who gave us this information for the National Radio Newscast.

Robaina Concludes Two-Day Visit to Ghana

FL1101224194 Havana Radio Reloj Network in Spanish 2202 GMT 11 Jan 94

[Text] Ghanaian President Jerry John Rawlings today expressed his appreciation for Cuba's cooperation with Ghana and sent a message of solidarity to the people of Cuba. President Rawlings received Cuban Foreign Minister Roberto Robaina at the Presidential Palace. During the meeting, Rawlings said that his government still has much to do for Cuba because we must, in some way, thank Cuba for what it has done for Africa. Ghana has never hidden its appreciation for all that the Cuban Government has done for us, President Rawlings told Foreign Minister Robaina who has just concluded a two-day visit to Ghana. The Ghanaian president also expressed his appreciation to the Cuban authorities for sending a medical brigade to help control an outbreak of Buruli ulcer. Rawlings also expressed his willingness to develop bilateral cooperation in the field of health.

At the conclusion of his two-day trip to Accra, Foreign Minister Roberto Robaina thanked Ghana for its support of the island at international fora, particularly at the United Nations. The head of Cuban diplomacy also thanked Ghana for its position on issues such as the economic blockade imposed by the U.S. Government more than 30 years ago. After describing 1993 as the most difficult year for the Cuban Revolution, Robaina predicted that 1994 will represent the beginning of an ascending curve for his people. Robaina said that among Cuba's foreign policy priorities are the democratization of the United Nations and the strengthening of the role played by the nonaligned countries.

Agreement Signed for Waste Treatment Plant

FL1101151194 Havana Radio Progreso Network in Spanish 1200 GMT 11 Jan 94

[Text] The Cuban Government and the common fund for basic products signed a finance agreement for the construction of a plant to treat the residue from factories that produce alcohol from molasses. The installation will be built in areas of the Heriberto Duques Sugar Mill in Villa Clara, at a cost of $3 million.

Workers Movement Begins Economic Restructuring

FL1101151894 Havana Radio Rebelde Network in Spanish 1000 GMT 11 Jan 94

[Text] Last night, the workers movement of Pinar del Rio Province began the analysis process for restructuring of the national economy. The meeting was held at La Primavera preserves factory in the provincial capital. The assembly was chaired by Politburo member Pedro Ross Leal, secretary general of the Cuban Workers Federation [CTC], who said that these issues would be analyzed throughout the month of January by the country's more than 485,000 labor union leaders, and later by the workers, although in some collectives, the analyses would be done simultaneously.

Ross pointed out that even though certain procedures were bothersome at first, they were necessary for everyone's well-being and for the future. The labor union leader said that with this meeting, held at the factory in

Pinar del Rio, they were beginning a consultation process to fight this new battle together.

Roundup of Economic Developments Through 11 Jan

PA1101151994

[Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 11 January 1994. Source is cited in parentheses following item.

The tourism sector, considered one of the keys to changing the current Cuban crisis, grossed approximately $700 million in revenues in 1993, which represents approximately one-half of the net income. Tourism is the only sector of the Cuban economy that reached sustained annual growth rates surpassing 25 percent in the 1990's. In 1991, 366,000 tourists visited the island. In 1992, this figure rose to 490,000 and to approximately 600,000 in 1993. (Madrid EFE in Spanish 0008 GMT 5 Jan 94)

PRC Assists in Electric Motor Production

FL1101195094 Havana Radio Rebelde Network in Spanish 1255 GMT 11 Jan 94

[Text] With support from 24 advisors from the PRC, the first five low-voltage electric motors have been produced. These motors constitute a successful test prior to the adjustment phase of the factory that is being built in Cacocum, Holguin Province, with PRC cooperation.

The new electric motor factory is scheduled to begin operations during the first quarter of 1994. It is 72-percent complete, and its 120 basic machine tools are already installed. The first of these factories of moderate technological complexity in the country has the means necessary to annually produce 30,000 top-quality triphasic and monophasic motors of 23 types, motors that will fulfill vital requirements in such economic sectors as the sugar and the nickel industries. The factory also opens horizons for exports and for penetration into the home electrical appliance field in Cuba.

Workers, Unions Discuss Economic Measures

FL1101221494 Havana Radio Rebelde Network in Spanish 1800 GMT 11 Jan 94

[Text] In Pinar del Rio Province, Cuban Workers Federation Secretary General Pedro Ross Leal called the consultations with workers and union leaders held at the establishment known as La Primavera and at the dried tobacco processing center in the nation's westernmost province a worthy beginning to the process of holding assemblies that will take place throughout Cuba. Journalist Cabrera Peinado has further details from Pinar del Rio.

[Cabrera Peinado] Through 28 January some 400,000 union leaders in Cuba will be preparing, holding discussions and making proposals with regard to the measures the Revolution's leadership will have to adopt to streamline internal finances; and as of 28 January, meetings with all Cuban workers will be held. Many proposals were made openly and without formalities at the meetings held at La Primavera and at the dried tobacco processing center. Among these proposals was that the monitoring and safekeeping of state resources be improved, so that these resources will not be squandered or end up in the hands of antisocial elements. Also, in these assemblies taking place in Cuba, the residents of Pinar del Rio Province came out in favor of finding ways to reduce to a minimum the amount of currency circulating—which is affecting the nation and, in particular, the workers, because of the high prices of products on the black market. They also came out in favor of increasing the nation's production levels and improving the efficiency of enterprises. They noted the need to raise certain prices, such as those of cigarettes, alcoholic beverages, and other products which, even though they may be articles of prime necessity, should cost what it costs to produce them. They also came out in favor of subsidizing people who need a subsidy.

It was also said that there exist a number of services which could perfectly well be charged for, such as admission to sports and cultural events and students' clothing and books, as well as cosmetic surgery and other health procedures that are not indispensable to life.

Pedro Ross Leal said that our fatherland is urgently in need of a battle for economic efficiency, and, more than anything else, needs to find solutions to current problems. He added that the nation cannot allow itself the luxury of continuing to have 69 percent of its enterprises be unprofitable, for in addition to what is invested in health and education, 1.6 billion pesos are paid out in social insurance and welfare annually.

[Begin Ross recording] And what the nation wants, what the leadership of the Revolution wants, and what we as a union movement have to do is to encourage the workers, as owners, and in the final analysis as the principal organizations in our society, to play the part that befits them. [end recording]

GRANMA Presents 'Precise Data' on AIDS

FL1101191694 Havana Radio Rebelde Network in Spanish 1255 GMT 11 Jan 94

[Text] [First announcer] Jose Antonio (de la Osa) today published an article in GRANMA on AIDS, which as you all know is the disease of the century. The article is entitled, "Irresponsible Sexual Conduct is Suicidal." It contains very precise data, which I find very interesting and which you should know about.

According to this article, the AIDS prevention and control program that the Ministry of Public Health has successfully been carrying out has made it possible to, up to the end of 1993, diagnose 988 patients in Cuba as HIV-positive. Of these, 236 have fallen ill, and, as of 31 December 1993, 148 had died.

During 1993, 102 seropositive individuals were detected, from the close to 2 million test results examined, tests made with reagents produced by Cuba's pharmaceutical industry. There are more details. Let's see what Dr. (Manuel Santin Pena) said. He is the national director for epidemiology of the Ministry of Public Health. Eddy?

[Announcer identified only as "Eddy"] Well, he said that the blood banks are well monitored; it is therefore not possible in Cuba to catch the disease of the century through blood transfusions. Practically the only way to contract the virus in our environment is therefore through sex, which makes it dependent on an individual's sense of responsibility and conduct in selecting a partner and using condoms properly.

Dr. (Santin) commented: Irresponsible conduct is quite simply suicidal. He also said that the prevention program is in the process of being perfected. According to (Santin), sanatorium care will continue to be made more flexible.

In the last few years, those seropositive individuals who have become more aware regarding their illness are being offered facilities to allow them to live within the society and within their families. The experience gained now permits us to begin the system of outpatient care, which can be extended to all seropositive people who take a responsibile attitude toward the family and the society and who, moreover, voluntarily request such care. The Ministry of Public Health will maintain sanatorium care, which will continue to play an important role in the program against AIDS, while at the same time trying to reach out further into the community. Care of the seropositive will be the responsibility of the Family Doctor Program physicians, and they will, through interconsultations, receive the specialized care they require including, free, the specific medications required by their condition as carriers of the AIDS virus.

It is important to remember that the AIDS virus dies quickly once outside the human body. This explains why casual contact does not provide a vehicle for the transmission of AIDS. Can AIDS be transmitted by a kiss on the mouth? It is true that the virus has been found in saliva, and in tears. This discovery, logically, provoked concern, but the truth of the matter is that in order to transmit the disease by mouth, the virus would have to make direct contact with the circulating blood. Up to the present, there has not been a single report of anyone's having contracted AIDS from a kiss on the mouth. Neither are there any reports of people having become infected through common use of a glass, flatware, or bed linens.

This has been an article carried in the newspaper GRANMA today and signed by comrade Jose Antonio (de la Osa), entitled: "In Connection With the Disease of the Century: Irresponsible Sexual Behavior is Suicidal."

More on Alarcon 10 Jan Interview

FL1201005394 Havana Radio Progreso Network in Spanish 1743 GMT 11 Jan 94

[Part one of "nonbroadcast portion" of interview with Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, ANPP, by reporters Julio Batista and Rosa Maria Godoy on the "I Have An Opinion" program, on 10 January in Havana—recorded]

[Text] [Godoy] All during this interview you have stressed base-level work, the work of the People's Government in the municipalities, provinces, and People's Councils which are currently the newest body of government. I want to know your opinion on the present development of the People's Councils in Cuba in terms of problem solving at each locality, each province.

[Alarcon] I believe the People's Councils in general are attaining highly positive results. They also are becoming a path, a strategy—that of the people's participation; the people's participation in the search for solutions to their own problems; the people's participation in the real and full exercise of the government which can only be achieved at the base level.

I believe that many and diverse initiatives and experiences exist, depending on the place, the nature of the situation, and the characteristics of the region. It is more evident each day that the People's Council is an effective instrument of government from the base, of control over the administration, resources, and the entire effort which the nation has to conduct. It also is an effective tool to stimulate the insertion of the people into the activities of the people's government, the activities of the nation and government of our country. I am not saying that we have reached the final alternative. We are making progress. We have to insist that the People's Councils have to conduct all their activities keeping this essential strategy in mind. Their essential strategy is to channel the people's initiatives, channel the masses's work from the base in order to exert a positive control on the entire society; also, to stimulate, develop, and strengthen all the creative potential of our people toward the solution of the problems we confront today.

[Batista] However, does a People's Council at the base have the conditions to undertake these responsibilities, these tasks we are saying they have to pursue?

[Alarcon] Through the people. If we were to see the People's Councils work as the endeavor of its presidents, we would be asking too much from those comrades. The People's Council president is nothing more than a district delegate elected by other delegates as their president. In Havana itself I have seen several experiences during progress report meetings in which I have participated where the neighbors, many times at the suggestion of the president of the People's Council, have established work committees or groups; neighbors who form a health

committee, an education committee, a committee to oversee food or services issues, etc.

In other words, the president of the People's Council has the support, the real participation of voters, of citizens who help in performing these tasks. It would be impossible for a single person to truly discharge these responsibilities. He has a basic responsibility, that of guiding, that of exerting his authority as an elected official of the voters, and of the delegates as president of the People's Council. In the measure that he manages to insert the people, the neighbors on a daily, real, and practical basis, he can fulfill these tasks. No one knows all the things we might yet do, in the measure that the people truly undertake this method of government as their own.

This is something we have to understand. It is very new: the true conduit of democracy. Democracy is the authority of the people. True democracy is that which promotes, in the measure possible, more and more each day, the direct participation of the people in their government. We can do this, first of all, because we have a social system based on equity, human solidarity, and human fraternity. These are the goals and ethical ideals of our social system—a society free of exploitation, free of the rule of a minority over the majority of the people. Therefore, we have the social base to develop these forms of participation in the management of the society. This is not achieved overnight.

Earlier, we discussed financial issues. These are complex and difficult issues but in the measure that we progress and study, we can manage and understand these problems better. There are many other things that can be done on the basis of this essential principle. This is not a case of the people and the government working apart, not a case of the people and the state working apart. Our system, not by chance, is called a people's government. It will have authority and be powerful and effective in the measure it is truly of the people. It is of the people due to its political character, due to what it seeks, because it works for the benefit of the people. However, we have to make it more of the people through the real participation of the people in the system.

[Batista] Regarding your answer, I wanted to express my opinion because there are truly many people who believe that the people's government, as an institution, does not solve many problems at the base. Therefore, perhaps all this has to do with the mechanisms, or problems with resources, or, at times, a matter of method, or that the government mechanisms are not understood in terms of public health or education. This is why I was asking this type of question regarding the operations, mechanisms, solutions, resources, and possibilities of the government in each region to solve and confront the problems.

[Alarcon] There are problems in our national reality that do not have solutions today, for example, everything related to material resources. However, there is another dimension to this problem, that which sees the people on one side and their representatives on the other. This has to do with the concept we have of progress report meetings. There was a period in which, to a certain measure—I do not want to generalize, it was not the same everywhere—it was an occasion for the voters to make their suggestions, to express their complaints to the delegate and then wait for an answer from that delegate. On more than one occasion, when ones analyses a good part of the problems brought up at the base, you realize that the problems do not relate to efforts the delegates have to make at higher levels, but to issues that can be solved by the people themselves. This is a right of the people—that of organizing and acting, of taking their initiatives and channelling their collective efforts.

The role of the delegates ought to be that of directing the pertinent effort to solve everything possible at that level. We have to abandon that passive attitude, that view of the voters as passive objects. We have to see the voter as the subject, the main subject of our system of government. When you see yourselves in that manner, when we see ourselves collectively in that manner, we find that some of the issues brought to the delegates to be solved by them, can be solved or improved by us. I am not saying that is the case in every instance. Of course, there are daily problems we all face related to the shortages of resources. However, how many difficulties are born in our minds, how many limitations have to do with our passivity, our refusal to be creative.

This is a system whose main goal ought to be the development of the creative potential of the masses. It is a system which deep down is based on something Fidel has said many times, about turning the trust in the people, in their values, pride, and will into a concrete political and daily phenomenon. This is the essence of the work of the people's government at the base, and from the base up through the entire system.

[Batista] What also happens is that I have seen government bodies that do not give any support or help to the municipal delegates. I believe this affects the prestige of that individual and the possibilities for the people to trust him, because one is trusted in the measure that one solves or gives appropriate answers. Otherwise, what one says is not believed.

[Alarcon] That is true. Unfortunately, this is one reality our delegates have to confront, particularly in certain places. I would say this exists more so in big cities than in small communities. This is why we see such rich experiences in certain People's Councils which are not attained in places where the delegates confront more complex situations. I also believe that this is part of the necessary struggle that the entire system must confront, not only the delegate and the base. This is why the People's Council becomes a support system for that delegate. A higher level, the municipal assembly, must also play an active role, and so does the National Assembly. However, the people must also do so.

The delegate might find perhaps misunderstanding, bureaucratic red tape, inertia, or lack of care, but those people must know that the delegate is truly working for the people.

[Batista] Alarcon, there have also been cases of delegates who have been dismissed by the voters for shortcomings or poor performance?

[Alarcon] I believe so. I know of some cases in which, perhaps due to shortcomings or other criteria, the delegate also believes he is not up to the task and asks to be replaced. There have been changes in the people's government at the base. I know of some even at the municipal level. I believe we should see this as a very healthy sign, a very natural thing which should not be seen in critical terms or as chaos. I believe is it only natural. They are representatives of the people, people from among the people, and it might happen that sometimes their possibilities become exhausted or they reach the limit of their capabilities. The people must exert their right to elect another individual. I believe this is one of the virtues of our system. Much is said abroad about great democratic systems where the people have the worst opinion of a an elected deputy and yet have to wait four or six years to elect another demagogue.

This is why it is so important that several principles be fully implemented in our system: close ties between the voter and those elected—provincial and base- level delegates; and periodic progress reports. The essential part of both mechanisms is to make people feel increasingly they are part of the system, rather than feeling foreign to it. The system is not foreign to the people. On the contrary, the people are an integral part of the people's government system.

Haiti

National Assembly Session 'Aborted' 10 Jan

FL1101205494 Port-au-Prince Signal FM Radio in French 1130 GMT 11 Jan 94

[Excerpts] The solemn reopening session of the Haitian Parliament was aborted on 10 January in disorder and confusion, making a parliamentary solution to the crisis even more difficult. Firmin Jean-Louis, president of the Senate and of the National Assembly, left his seat under police protection after he was manhandled by hostile parliamentarians because he wanted to end the session. During these incidents, Mr. Jean-Louis was protected by several parliamentarians, including Deputy Frantz Robert Monde, who physically intervened. The diplomatic corps quickly left the Parliament under the protection of their bodyguards. We still do not know if a new session will be held today.

Mr. Frantz Robert Monde, an independent who votes with the Socialist bloc, solemnly warned his colleagues about the threats of anti-parliamentarism by the left and by the right. In a brief statement to AFP, he said that there was a real danger that the extreme right would take advantage of a parliamentary vacuum if the Parliament did not agree to find a Haitian solution to the crisis.

The neo-Duvalierists of the Revolutionary Front for Haitian Advancement and Progress, FRAPH, threatened the Parliament with a mob dissolution if its members did not find a solution quickly. The incidents were triggered by the presence of the parliamentarians elected during the controversial partial elections of January 1993, held by a government not recognized by the international community. The Parliament was going to open debates aimed at reaching a final vote on the problem caused by the election of those parliamentarians, but two senators favoring President Jean-Bertrand Aristide, namely Eudrice Raymond and Judenel Jean, wanted to leave their seats. Their adversaries, who reproached them for invalidating the quorum and for thus making the continuation of the session impossible, physically prevented them from leaving the Parliament before things degenerated.

After several hours of procrastination, the National Assembly scheduled for 10 January at 0100 eventually took place at about 0405 at the Haitian Parliament, with the question of the 18 January parliamentarians at the heart of the debates because they were present at the session to have their voices heard, although their names were not cited during the roll call.

The tension was rising, and in the area surrounding the Parliament demonstrators called for the dissolution of the 45th legislature due to ineffectivenss and called for the transfer of power to the Court of Cassation so new general elections can be held in the country. To realize all that, they demanded the intervention of the Army. Meanwhile, inside the Legislative Palace, with a very fragile quorum at the Senate—with 11 senators present—the parliamentarians met in National Assembly in the presence of political and diplomatic personalities. Sen. Firmin Jean-Louis, president of the National Assembly, pointed out the needs of the time and hoped that a solution could be found to the problem of the 18 January 1993 parliamentarians. [passage omitted]

Everything was going to fly to pieces when—after the departure of the National Front for Change and Democracy [FNCD] deputies [as heard]—Sen. Eudrice wanted to leave as well to protest the insertion into the agenda the question of the 18 January parliamentarians. He stressed the reasons that had prompted him to decide to leave the room.

[Begin Raymond recording, in Creole] The assembly is not supposed to have other elements than [words indistinct] of the day of the National Assembly, opening of the assembly, and closing the agenda. Once the assembly has taken upon itself the right to add another element to the agenda, personally (?I have lost) the obligation I had to be present today. It is a fact that I have met my obligation as I am present within the scope of the

assembly; I participated in the opening. As far as I am concerned, I do not have to be present when other elements are added to the agenda. [end recording]

It was finally chaos when Judenel Jean decided to leave as well. The 18 January parliamentarians, notably Gabriel Ancion, Margareth Martin, Pierre Romel Manigat, and Rousseau, hindered the departure of this parliamentarian. [Passage indistinct] This was the situation at the time when the 18 January parliamentarians were trying to hinder the departure of Senators Judenel Jean and Eudrice Raymond. Those scenes unfolded in the presence of foreign diplomats who came to attend the session. It should be pointed out that three out of four ministers of the resigning government departed even before the beginning of the session. They wanted to protest because the protocol official of the Haitian Parliament asked them to let the representatives of the Army, the Port-au-Prince bar, and the governor of the Central Bank take the first seats.

Deputies Fist Fight During Assembly Session

PA1101203794 Madrid EFE in Spanish 1919 GMT 11 Jan 94

[Text] Port-au-Prince, 11 Jan (EFE)—Haitian deputies got into a fist fight today, Monday [as received], when the first session of the year of the National Assembly became a boxing match between supporters and opponents of deposed constitutional President Jean-Bertrand Aristide.

The fights broke off after it was decided not to allow the participation of 13 senators elected in the 18 January 1992 elections, whose election has been challenged by the parties supporting Aristide.

Senator Eudrice Raymond of the National Front for Change and Democracy (FNDC), which brought Aristide to power, attempted to leave the building so as to prevent the quorum from being formed, but the challenged senators closed the doors.

It was then when challenged pro-Duvalier Senator Gabriel Ancion hit Raymond and later attacked centrist Senator Judnel Jean.

Assembly President Firmin Jean Louis was also hit in the face by Deputy Pierre-Francois Vital, while Jean Louis' bodyguard was apprehended by armed civilians and police.

In light of the chaos and panic prevailing at the assembly, most of the legislators decided to abandon the building. It is not yet known when the legislative process will be resumed, given the new situation.

Army Will Not Participate in Miami Conference

FL1101213094 Port-au-Prince Radio Metropole in French 1700 GMT 11 Jan 94

[Text] The international conference in Miami, proposed by the president-in-exile, is convened for 14, 15 and 16 January. We have learned that the Haitian Army will not participate in this conference since the invitation was addressed to a senior military officer, who is not recognized either by the international community or by Father Aristide's own government. This information was collected by the AFP from a well-informed source.

Let us recall that this letter of invitation to this conference was addressed to General Jean-Claude Duperval, the Army second in command who President Aristide had appointed this past December as Army commander in chief, while dismissing General Cedras, the current commander in chief.

Prime Minister Robert Malval and the members of his government had refused to hand over the letters of appointment and of dismissal to their addressees, asking President Aristide to reconsider his decision, which he did not do until now.

The international community, on its part, is still asking for the application of the general framework of the Governors Island accord, signed in July 1993 by President Aristide and General Cedras, who it still recognizes as chief of the Haitian Army and a signatory, under that title, of this accord.

It also should be recalled that the Miami conference, which at first was to deal with the problem of the Haitian refugees, has been extended to discuss the general topic of the return to democracy, following pressure from the United States, according to diplomatic sources. These same sources specify that Washington considered as an insult the inclusion of the question of the boat people.

It is unknown if the other sectors in Haiti invited to the conference will attend.

Government Secretary, Attorney General Take Office

PA1101145594 Mexico City XEW Television Network in Spanish 0430 GMT 11 Jan 94

[Video report from the "24 Hours" newscast]

[Text] [Begin recording of unidentified reporter] Jorge Carpizo McGregor took office as the new government secretary this afternoon in a ceremony held at the Government Secretariat's Juarez Hall. Most Government Secretariat officials, including outgoing Secretary Patrocinio Gonzalez Garrido, were in attendance. Carpizo noted that given the current situation in Mexico as well as the situation in the months ahead, the values of dialogue, concord, and strict enforcement of the law will guide and set the tone of his work. He defined himself as a man who believes in the law, dialogue, reason, truth, calmness, and firmness. The new official said he is not a party man, explaining this is not the time for speeches but for action. He indicated he is going to the Government Secretariat not to renounce all the things he believes in but to cooperate for the good of Mexico.

[Mexico City Canal 13 Television Azteca Network in Spanish at 1300 GMT on 11 January, in its "Good Morning From Mexico" newscast, broadcasts a similar report that includes a recording of Jorge Carpizo in which Carpizo states: "My only commitment is with Mexico. I do not have a political party. I have accepted this position with the sole objective of serving my country and the president of the Republic. This is no time for speeches, but for deeds. I am a man of principle and loyalty."]

Carpizo asked society and its political and social organizations for their support. He stressed he would need it. During an interview, he indicated he hoped society and the news media will give him the time necessary to solve the problem in Chiapas State.

Also, Patrocinio Gonzalez Garrido said the president agreed to his resignation. With a broken voice and watery eyes, he also asked the Chiapas Congress to change the conditions of his leave in order to withdraw from political activities following 42 years of service. His former aides stood up and gave Patrocinio Gonzalez a long and hearty ovation. Eloy Cantu, the federal government's official spokesman and Government Secretariat's senior official in Chiapas, attended the ceremony. [end recording] [Anchorman Jacobo Zabludovsky] Carpizo has an irreproachable record at the National University as well as in public service. His image as a human rights defender adds a major element to his new post at this time.

In Tuxtla Gutierrez, the Chiapas Congress reaffirmed Elmar Setzer Marseiller as acting governor. This happened after former Government Secretary Gonzalez Garrido sent a letter to the Chiapas Congress requesting an extension of his leave as Chiapas governor. Diego Valadez took office as attorney general of the Republic. [Begin recording of second unidentified reporter] Diego Valadez took office as attorney general in a ceremony attended by almost all Attorney General's Office personnel. Jorge Carpizo McGregor, the new government secretary, thanked the Attorney General's Office officials for their cooperation and work, and he asked them to give the same support to Valadez so he can achieve his goals as head of the Attorney General's Office.

Valadez pledged to consolidate the efforts of the former attorney general to defend human rights and to strengthen the rule of law. Valadez has an extensive record, having held major academic, government, and diplomatic posts. Previously, he held the post of federal district attorney general. [end recording]

Roundup of Economic Developments Through 11 Jan

PA1101233294

[Editorial Report] The following is a compilation of reports on Mexican economic developments monitored through 11 January. Source is cited in parentheses following each item.

The Secretariat of Commerce and Industrial Development has imposed a 323-percent tax on the importation of shoes from China. This concludes the investigation into unfair trade practices in China, which determined dumping practices were in effect. (Mexico City Radio ACIR Network in Spanish 1624 GMT 5 Jan 94)

According to the Mexican Association of Banks, discount rates on businesses affiliated to credit charge companies have been reduced. The discounts will be based on the annual sales of establishments and credit card sales amounts. Those establishments with higher sales will be benefited the most. Commercial establishments with annual sales of over 300,000 new pesos will pay a 2.25 percent rate, on condition that average sales amount to more than 500 new pesos. (Mexico City Radio ACIR Network in Spanish 0200 GMT 6 Jan 94)

The agreements Mexico signed with the United States and Germany to avoid double taxation on income taxes went into effect on 1 January, the Secretariat of Credit and Public Finance has reported. (Mexico City XEW Television Network in Spanish 0430 GMT 6 Jan 94)

The Central Bank of Mexico reported on 9 January that Mexico registered an 8-percent inflation rate in 1993. This is the first time in more than 20 years that the inflation rate in Mexico is a one-digit figure. According to the Bank of Mexico, inflation totalled 11.9 percent in 1992, 18.8 percent in 1991, and 29.9 percent in 1990. (Hamburg DPA in Spanish 0058 GMT 10 Jan 94)

The Bank of Mexico has reported that 1994 began with good prospects for economic growth in Mexico. The slowdown in the United States, Mexico's main trading partner, has ended. Therefore, Mexican exports are expected to increase. Interest rates have recently

declined, thereby promoting a greater level of economic activity. In sum, national finances are clean following the problems in the 1980's. The public debt only represents 32 percent of GDP. (Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 11 Jan 94)

Stock Market Drops Due to Chiapas Conflict

PA1101142694 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 11 Jan 94

[From the "Good Morning From Mexico" newscast]

[Text] The Mexican Stock Market registered its largest drop in the last four years. The main indicator pertaining to stock exchange transactions dropped 165.92 points, 6.3 percent, to close the day at 2459.52. Stock market analysts have said the atmosphere of uncertainty in our country as a result of the conflict in Chiapas has caused the drop in the stock market. They have warned about the possibility of a flight of capital and investments if the conflict prolongs or extends to other regions of the country.

Chiapas Crisis

Official Says EZLN Acting Against NAFTA

PA1001204094 Madrid EFE in Spanish 1943 GMT 10 Jan 94

[Text] Mexico City, 10 Jan (EFE)—Eloy Cantu, official Mexican Government spokesman on the Chiapas conflict, said the armed uprising of the Zapatist National Liberation Army (EZLN) is intended to cloud and block the development of the North American Free Trade Agreement (NAFTA).

In statements published today by the Mexican newspapers REFORMA and EL NORTE, Cantu indicated that the rebels seek to internationally discredit President Carlos Salinas de Gortari's. He said the rebels want to prevent free trade, the creation of jobs, the increase of foreign investments, economic growth, and wage increases in Mexico, objectives that NAFTA seeks.

"It is obvious that it is not an Indian insurgent movement, because if it were, they would be using machetes. This armed group would not have been repudiated as it has," he added.

Further on Rebels' 5-Point Dialogue Proposal

PA1101150094 Mexico City Radio ACIR Network in Spanish 1338 GMT 11 Jan 94

[From the "Panorama" newscast]

[Text] Members of the Zapatist National Liberation Army [EZLN] have released a five-point proposal to begin a dialogue with the government. They are demanding the recognition of the EZLN as a belligerent force, a cease-fire by both parties, the Army's withdrawal from all the communities—with a full respect for human rights—and the suspension of the indiscriminate bombardment of rural towns.

In the communique, in which it discloses this proposal, the EZLN says that it does not have in its ranks or its leadership any foreigner nor has it ever received any support or advice from revolutionary movements of other countries or foreign governments.

We have a report by Juan Carlos Santoyo from San Cristobal de las Casas:

[Santoyo] The EZLN has issued its first official communique describing as unacceptable the federal government's conditions for a dialogue. It added that it will put down its weapons when its demands are fully met.

In the five-page document delivered to the newspaper EL TIEMPO of San Cristobal de las Casas, the EZLN establishes five points that must be followed to begin a dialogue:

1. The recognition of the EZLN as a belligerent force.

2. A cease-fire by both parties throughout the territory involved in the conflict.

3. The withdrawal of federal troops from all the communities, with a full respect for the human rights of the rural population and the return of federal troops to their respective garrisons in the different places of the country.

4. The suspension of the bombardment of rural towns.

5. Based on the compliance with the previous conditions, the EZLN is proposing the creation of a national commission for intermediation [intermediacion].

The EZLN adds that its troops vow to respect these conditions if the federal government does likewise; otherwise, it warns, the EZLN will continue its military actions in the various regions.

It says that it will abide by the laws of war as approved by the Geneva Convention, respecting the civilian population, the Red Cross, the media, the wounded, and the enemy troops that surrender without a fight.

Furthermore, in six points, it explains the reason for its struggle and the reason to clarify various matters regarding the EZLN movement. First, it says that it has no foreigners in its ranks or among its leadership. Second, it also denies that it has any ties or links with Catholic religious authorities or of any other denomination.

A third point stresses that its ranks consist of Chiapas Indians who are the most humiliated and unprotected people in Mexico.

In the fourth point, the EZLN admits that it has sophisticated modern weapons and communications equipment which, it explains, were acquired by contributions from civilians.

A fifth point notes that this struggle was started because throughout 10 years they resorted to every peaceful and legal means to solve their problems. The sixth point lists the conditions for dialogue.

The subversive group also assesses the situation. It states that nine EZLN members were killed and another 20 were seriously wounded. It adds that the enemy casualties, including policemen and federal soldiers, amount to 27 dead, 40 wounded, and 180 prisoners who were already released. It also says that during the attacks against four jails, they released 200 inmates.

This first EZLN official communique was signed with an explanation handwritten by subcommander Marcos and states that it was issued somewhere in Mexico's southwestern mountains.

For its part, the special commission for the dialogue of Chiapas' social sectors, which consists of Senator Eduardo Robledo Rincon, Heraclio Cepeda, and (Andres Falgas Quic), stated that if they are asked to form a negotiating commission with the rebel forces, they will be glad to participate.

Meanwhile, Senator Robledo Rincon has made the following announcement:

[Begin Robledo Rincon recording] We have been talking with different organizations and parties, and they have expressed their concern for their rank and file. We were allowed to permit several leaders of these organizations and representatives of relatives, as well as government officials, to tour parts of the region, especially the Ocosingo area, so that they can establish contacts in the different regions of the state. [end recording]

[Santoyo] At the same time, the National Human Rights Commission has reported that members of its delegation, which consists of lawyers and doctors, has visited Altamirano and Chanal, where there had been heavy fighting. They have said they went to San Carlos Hospital and Santo Domingo Convent, where they have received complaints of alleged violations of human rights. Different townspeople have filed the complaints, complaints, they said, which are being investigated.

Released Hostages Arrive in Las Margaritas

PA1101155894 Mexico City XEW Television Network in Spanish 1300 GMT 11 Jan 94

[Report by Ricardo Pena from Tuxtla Gutierrez; from the "Upon Awakening" newscast]

[Text] Forty of the 100 individuals who were held against their will by rebel groups in Guadalupe Tepeyac, Las Margaritas Municipality, arrived early this morning. These individuals arrived yesterday [as heard] from that area, after they were released; in addition, 60 others who were held hostage at the Social Security Hospital in that area were also released. They all said they were held against their will. Relatives of the doctors and nurses who could not leave the town since 30 December were also accompanying them.

Apparently, that area is still under rebel control. It is expected that the situation here will be normalized very soon, within a few hours or days, as the rebels will withdraw to the highlands in Chiapas.

Mexico City Government, Assembly Condemn Violence

PA1101170994 Mexico City Radio ACIR Network in Spanish 1442 GMT 11 Jan 94

[From the "Panorama" newscast]

[Text] The government of Mexico City and the Assembly of Representatives have issued a joint statement condemning the acts of violence and attempts of sabotage during recent days in Mexico City and around Mexico State. The communique by the local government and representatives of the people came a few hours after Mexico City Mayor Manuel Aguilera Gomez and assembly members held a closed-door meeting at the central department's headquarters, where security measures have been increased via careful searches of citizens at the building's main access points. During the meeting, which was preceded over by a meeting attended by Protection and Highways Secretary Rene Monterrubio and chiefs of that group, the government of Mexico City and the representatives agreed on the following measures:

1. The Federal District Department will hold periodic meetings with the Assembly of Representatives to keep the assembly members abreast of the situation in the city.

2. The meetings of the Precinct Councils for Public Security and Civil Protection will be increased, and the regulations on the matter issued by the assembly will be strictly enforced.

3. A representative of the local government will be named to establish a timetable of periodic meetings with the representatives, mainly with the members of the Public Security and Justice Committees.

4. All of the city's police units, including the Bengala Group, will continue to perform strictly preventive functions, as has been reaffirmed. The Mexico City Attorney General's Office—which is headed temporarily by Rene Gonzalez de la Vega starting today—will be in charge of investigations.

5. The public is urged again to report to city police units vehicle thefts and the presence of abandoned cars or armed individuals in the streets, in addition to filing the appropriate complaints.

6. The appropriate measures will be expedited to install this week the 08 police hotline number to the remainder of the city's areas; this system was extended on 10 January to the Precincts of Alvaro Obregon, Tlalpan, and Magdalena Contreras.

7. The need was established for all of the patrols of the General Secretariat of Protection and Highways, including backups, to have the numbers and identification badges assigned to them in each of the city's political entities.

8. A timetable of meetings between Mexico City representatives and the business and commercial sector was established so that the latter may expand their own security systems in the areas where their buildings are located.

9. A surveillance operation will be established to punish those who paint graffiti on private buildings or government offices during demonstrations of support, which may not be linked necessarily to the armed movement, as established by the government's rules on civilian justice. At the end of the meeting, Amalia Garcia, chairwoman of the Public Security Committee of the Assembly of Representatives, said that in addition to this agreement, Aguilera pledged before the representatives to act at all times within the framework of the law and with strict adherence to the people's human, political, and civil rights.

[Begin Garcia recording] There would never be any justification to violate the human and civil rights of Mexico City residents; that would be unacceptable. We have also stated that the constitutional guarantee to assemble, demonstrate, and express one's opinion have to be respected. [end recording]

Rebels Said To Retake Municipality

PA1101192494 Mexico City NOTIMEX in Spanish 1836 GMT 11 Jan 94

[Text] San Cristobal de las Casas, 11 Jan (NOTIMEX)—Witnesses are reporting that an armed group of the self-styled Zapatist National Liberation Army (EZLN) took over for the second time Chanal Municipality, southeastern Chiapas State, early this morning.

A "large" number of EZLN members occupied Chanal, which had been retaken by the Mexican Army five days ago. The reports do not mention whether there is fighting. Chanal is located approximately 50 km east of San Cristobal de las Casas, which is located 1,200 km southeast of Mexico City and which was one of the municipalities seized by the armed group on 1 January, when the conflict began.

In a new operation, the Mexican Army is about 75 km from the town of Guadalupe Tepeyac, which, according to witnesses, has been cut off by armed men who dug five-meter deep trenches around it.

According to the reports, Guadalupe Tepeyac has been under the control of the armed group since 1 January, when the conflict began with the violent seizure of towns and an attack against a garrison, forcing the Army to intervene.

Witnesses say the armed group is preventing people from entering or leaving the center of Guadalupe Tepeyac, southeast Chiapas, near the Guatemalan border. Approximately 80 workers of the public clinic in Guadalupe Tepeyac were released yesterday by the armed group and are in Tuxtla Gutierrez, capital of Chiapas.

Defense Secretariat Issues Communique

PA1101195694 Mexico City Canal 13 Television Azteca Network in Spanish 1900 GMT 11 Jan 94

[Report by Jaime Guerrero; from the "At Noon" newscast]

[Text] The Defense Secretariat issued a communique a few minutes ago reporting on the situation in Chiapas for the last few hours. The National Defense communique stated that in the town of Guadalupe Tepeyac, the transgressors of the law released 63 workers of the Social Security clinic who had been kidnapped when the conflict began in Chiapas. The workers were taken to the Comitan de Dominguez Garrison, where they were fed, and then they were sent to the capital of Chiapas State.

The Defense Secretariat stated that 10 days after operations began to reestablish order in the Chiapas highlands, clashes between the transgressors of the law and Army troops have decreased considerably. It added that from Monday night to early morning Tuesday, there have been no clashes; nevertheless, troops are continuing to guard several towns that were the targets of the armed groups. The bulletin read that in addition to the combing operations by the troops, several aircraft are overflying the area to detect the groups of transgressors still roaming around some towns. According to the communique, it has been learned that approximately 50 transgressors abandoned their weapons near Palenque and fled to unknown locations.

Peace, Reconciliation Commissioner Announces Plans

PA1101200894 Mexico City Canal 13 Television Azteca Network in Spanish 1900 GMT 11 Jan 94

[From the "At Noon" newscast]

[Text] Manuel Camacho Solis, commissioner for peace and reconciliation in Chiapas, has announced his plans to perform his new responsibilities.

[Begin Camacho Solis recording] We are all aware of the risks that the Chiapas situation entails and of the difficulties in restoring conditions for coexistence based on law and justice.

Our main concern now is that Mexicans have died. We must express our condolences to all families who have lost a dear one, but the only way to express this to them and the rest of the country is with sincerity—by stopping violence.

Today, condemning violence is not enough; the solution is ahead. Whoever believes in peace must take positive actions to attain it. We must reconstruct the regional political process and seek a dignified political solution for all. We will have to offer, through actions, a real solution to problems. No one wants more deaths or terrorism.

The order of the actions we will undertake—considering the current situation and the ideas of those who are mostly concerned about the conflict in the region—will be:

1. To seek as soon as possible a truce to end the hostilities and restore peace in the region.

2. To seek by all means the initiation of a dialogue that will lead to peace and reconciliation, thus opening the possibility for Indians to return to their towns and participate in changes that must be promoted in the region, considering all sectors. I have learned through the media about reports on the presumed willingness from the EZLN [Zapatist National Liberation Army] to establish conditions that can lead to a dialogue. Should those reports be confirmed, it would be the first signal that could help us find the path toward peace. [end recording]

San Cristobal de las Casas Returning to Normal

PA1101202794 Mexico City Canal 13 Television Azteca Network in Spanish 1900 GMT 11 Jan 94

[Report by Juan Manuel Pereyra; from the "At Noon" newscast]

[Text] There are more evident signs that the situation is going back to normal here in San Cristobal de las Casas. In this town, located in the higher area of Chiapas, the troops were withdrawn from the main square, but strict vigilance continues by the military police, pardon me, the municipal police.

Last night, after eight days in the dark, street lights were turned on. Traffic became normal since then.

At noon, the Cardenist National Reconstruction Party began its presidential campaign, in the main square, which shows that the situation is returning to normal.

Candidate Rafael Aguilar Talamante gave a speech expressing support for the people of Chiapas. He demanded that the struggle against the insurrection should not be used as a pretext to fight the true leaders of social struggle.

I also want to report that the Special Autonomous Commission—which consists of Senator Eduardo Robledo, writer Heraclio Cepeda, and anthropologist Andres Fabrega—is visiting Palenque to meet with social organizations seeking channels of communications that can lead to a solution for the armed conflict being experienced in this region.

The commission members will arrive during the afternoon and will report on what they accomplished during the day.

I also want to inform that Manuel Camacho Solis, the peace commissioner appointed by President Carlos Salinas de Gortari, is expected in Tuxtla Gutierrez at approximately 1400 and in San Cristobal between 1600 and 1700. We will find out about the details of his mission when he arrives here. There have been reports, however, about it through a news conference that Camacho Solis held in Mexico City.

To conclude, I must inform you that air patrolling near the higher Chiapas region by Mexican Air Force aircraft is constant to fight rebels and prevent them from reaching towns.

In the meantime, the garrison of the 7th Military Region in Rancho Nuevo is still harassed by the guerrillas who are executing sporadic attacks there.

Correction to Army Asked for Advance Warning on Bombings

PA1001024594

The following corrections pertain to the item headlined "Indians Asks for Advanced Warning on Bombings," published in the 10 January Latin America DAILY REPORT, pages 18-19:

Page 19, first paragraph, second sentence, reads... at dusk on 6 January and grew more intensely on the morning of 7 January... (correcting dates, and rewording)

Same page, ninth paragraph, reads... During this apparent offensive, the Army recovered control of a majority of towns, including Huixtan, Oxchuc, and Altamirano, that were abandoned by the guerrillas without pressure from the military... (rewording)

Costa Rica

Government Not To Participate in European Union Meeting

PA1101125994 Hamburg DPA in Spanish 2213 GMT 10 Jan 94

[Text] San Jose, 10 Jan (DPA)—Costa Rica, the world's second largest banana-producing country, will not participate in a meeting tomorrow in Brussels summoned by the European Union (EU) to discuss with Latin American banana-exporting countries, members of the General Agreement on Tariffs and Trade (GATT), the controversy surrounding regional banana purchases. This is how Foreign Trade Minister Roberto Rojas responded today when he said that "we already know Europe's position."

The meeting was summoned by the EU Executive Commission Agriculture Directorate to try to reach an agreement in the commercial dispute, which originated with restrictions on Latin American banana purchases, effective since July.

Latin American countries will meet in San Jose on 13 January to try and reach a consensus regarding an EU offer to assign quotas to each producing country and 70 percent of the import licenses. Most Latin American banana countries object to this European initiative.

"There is no need for a meeting with the EU, because Costa Rica already knows what it will be told," Rojas stated through a spokesman.

Costa Rica, together with Colombia, has begun negotiations regarding the EU initiative and has represented Latin American interests before GATT, which was lodged with a lawsuit nearly a year ago.

Roundup of Economic Developments Through 11 Jan

PA1101183094

[Editorial Report] The following is a compilation of reports on Costa Rican economic developments monitored through 11 January; source follows in parentheses after each item.

Economy Minister Roberto Rojas confirmed on 4 January that the 1993 inflation rate was 9.05 percent, almost 7-percent lower than in 1992 and the lowest in the past 10 years. December inflation was .9 percent. (Paris AFP in Spanish 1623 GMT 4 Jan 94)

The Center for the Promotion of Exports and Investments has reported that exports of products and services increased 52 percent during the past three years. Exports in 1990 totaled $1.7 billion, and increased to 2.6 billion in 1993. Meanwhile, the Central Bank has reported that imports in 1990 totaled $1.9 billion and are expected to reach approximately $3 billion in 1993, an increase of $1 billion, or 50.9 percent during the past three years. (San Jose LA NACION in Spanish 28 Dec 93 p 21A)

Central Bank President Jorge Corrales has officially reported that 1993 closed with net international reserves totaling $945 million, more than $20 million above the goal established by the IMF. Corrales has said revenues were obtained through exports, which grew 17 percent, tourism, which increased 20 percent, and foreign investments.

He said that Costa Rica has complied with another IMF requirement by reducing net credits in the public sector by almost 30 percent. According to Corrales, the accumulated inflation rate in 1993 was reduced to 9.05 percent, the lowest since 1978. To a large extent, this was due to controls on the fiscal deficit, which is estimated at 1.3 percent of the gross natinal product, and a reduction in import restrictions that began in 1992, Corrales explained. He added that factors that contributed to reduce the inflation rate were the reduction in the price of fuel and lower electricity and water rates. The government maintains that the current level of reserves will be sufficient to finance the deficit in the trade balance, which is estimated at $800 million, the highest in the country's history. (Mexico City NOTIMEX in Spanish 0040 GMT 8 Jan 94)

El Salvador

President Remarks on Repercussions of NAFTA, Elections

PA1101142194 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 10 Jan 94

[News conference by Salvadoran President Alfredo Cristiani with local and international reporters and an unidentified moderator at the Polideportivo Center in San Salvador on 10 January—live]

[Excerpt] [Passage omitted] [Moderator] Mario Jovel, from the "Up-to-Date" television newscast.

[Jovel] Good afternoon, Mr. President. Some small business owners and certain politicians have said that one of the repercussions of NAFTA could be Mexico's strong capabilities, which are very different than what Salvadorans have. Could this be a repercussion or what could be the main repercussions of NAFTA?

[Cristiani] I think that the repercussions, or the main repercussion, will generate competition. To that effect, our entrepreneurs will have to face the challenge of competing with products coming from other countries. Competition leads to better quality at a better price, and consumers, who are the majority of the population, receive the benefits; in other words, consumers will have greater options when choosing the product that provides better quality at the most reasonable price.

I think our entrepreneurs should not fear open competition. They have proven to be good businessmen on

numerous occasions, and they have highly qualified workers. I think that if we make this decision—and I think entrepreneurs are about to make that decision—they will accept the challenge, and I think they will be successful. Personally, I do not think there is any reason why we should fear competition. We must obviously try harder to provide the people with those two elements.

There is always an advantage, even in free trade, and that is transportation. Transportation is what makes the difference between the imported and locally manufactured product; nevertheless, I still do not think there is anything to fear. Furthermore, the treaty with Mexico is asymmetrical; that is, our products will enter Mexico even before Mexican products enter El Salvador, according to what was agreed in Tuxtla Gutierrez; in other words, this is an additional advantage.

Naturally, if we want to see examples, let's see examples such as Mexico versus the United States, or let's see Spain versus Germany. Actually, there has been an increase in trade between the two countries, both in the cases of Spain and Germany. That is where each country has to seek in which areas it can be more competitive and then compete.

[Moderator] Carlos Marquez, from AFP.

[Marquez] Mr. President, the elections will be held in 68 days, and I would like to know if any governments have been invited to observe the electoral process.

[Cristiani] That is something that corresponds to the Supreme Electoral Tribunal [TSE], and, as everyone knows, the United Nations will send observers. The United Nations is a world organization; therefore, all countries indirectly have the possibility of being included in a mission that we understand will arrive at the time of the elections. The mission will include 900 [as heard] observers.

For the time being, the TSE has only notified us that it has decided to invite all of the electoral bodies of Latin America inasmuch as they have an organization among themselves. They also have an agreement whereby all members of these bodies are observers in each other's elections. Apart from them, we have not had any other request by the TSE.

[Moderator] Amadeo Cabrera, LA NOTICIA.

[Cabrera] I would like to know if you will attend the new Honduran president's inaugural ceremonies, and how do you describe bilateral relations between the outgoing president and your government?

[Cristiani] Yes. We have plans to attend the inaugural ceremonies of the new Honduran Government on 27 January. I would say that relations between the government of President Callejas and ours have been excellent. [passage omitted]

Roundup of Economic Developments Through 11 January

PA1201005194

[Editorial Report] The following is a compilation of reports on economic developments in El Salvador monitored through 11 January 1994. Source is cited in parentheses following the item.

Finance Minister Edwin Sagrera stated that the most important fiscal events of 1993 were the reduction in the number of taxes and the increase in tax collection. Segrera explained that the fiscal reform reduced from 25 to three the number of taxes paid by Salvadorans. "Currently, there is only the value-added tax (VAT), the income tax, and the tax on imports which is paid at the Customs Office," he said. He stressed that "despite the reduction, tax collection increased thanks to a drop in tax evasion." He added that the fiscal deficit, which is 1.8 percent of the gross national product and which amounts to 1.167 billion colones, qualifies El Salvador to become a candidate for IMF credits. He emphasized that "the deficit can be handled indefinitely as long as it is adequately financed." (San Salvador LA PRENSA GRAFICA in Spanish 5 Jan 94 p 12)

Guatemala

Foreign Minister on Events in Southern Mexico, Serrano

PA1101133094 Guatemala City Teleonce Television in Spanish 1900 GMT 10 Jan 94

[From the "Telepress" newscast]

[Text] Foreign Minister Arturo Fajardo Maldonado has alluded to the implication of terrorism unleashed in Guatemala linked to the appearance of a guerrilla movement in southern Mexico. The foreign minister expressed the Guatemalan Government's condemnation for that type of action.

[Begin recording] [Fajardo] First, we condemn these actions. I think they are regrettable and that such things should not happen. We strongly condemn them, mainly because they are unnecessary violent actions and above all because it has involved a diplomatic mission accredited in Guatemala from a brother country for which we have much respect. In this regard, I immediately spoke to the government minister last night to request protection for the offices of the Mexican diplomatic mission, not only for the consulate but for the remainder of the offices and the ambassador's residence.

[Unidentified reporter] Is there a link between what is going on in Mexico and the Guatemalan rebels?

[Fajardo] I can not state an opinion on that issue, on which I have no information. The fact is that those are condemnable actions, and we condemn them strongly.

We hope, of course, that Mexico, as it appears, will get on the path for a dialogue and find solutions in the most appropriate way. According to [word indistinct] institutions, that is their internal problem.

[Reporter] Regarding the summons on Serrano, how is that affair developing?

[Fajardo] As I told you last week, we have received the file sent by the corresponding court through the Supreme Court of Justice. The Foreign Ministry's legal department has the file now, and they will issue a ruling to determine whether it is fulfilling the prerequisites established by our national laws, as well as by the standing international agreements on extradition between Panama and Guatemala so that there are no problems.

[Reporter] When will it be sent to Panama?

[Fajardo] As soon as we verify that it meets the prerequisites. If it does not, we will send the appropriate recommendations to the Attorney General's Office and the courts so that there is no formality problem. [end recording]

Roundup of Economic Developments Through 11 Jan

PA1101175194

[Editorial Report] The following is a compilation of reports on Guatemalan economic developments monitored by Panama Bureau through 11 January, source follows in parentheses after each item.

Social Investment Fund (FIS) sources have reported the FIS will receive over 270 million quetzals this year through contributions from government and international agencies. The sources have explained the FIS will receive 50 million quetzals from the government, 116 million quetzals from a World Bank loan, and 104 million quetzals from the German Development Agency. Foreign financing was made possible thanks to the executive passing of the regulation on FIS activities. (Guatemala City PRENSA LIBRE in Spanish 5 Jan 94 p 65)

The National Statistics Institute (INE) has reported that inflation grew by 11.64 percent in 1993, the level expected by government authorities. Inflation grew by 1.31 percent and 1.22 percent in November and December of 1993, respectively, representing a sudden increase in monthly inflation as compared to previous months. The government could not meet the objective of reducing inflation, which totaled 14.22 percent, by 8 points, in 1992. The INE has concluded that the increase in the cost of vegetables and fruits in December caused the hike in inflation. (Mexico City NOTIMEX in Spanish 1758 GMT 5 Jan 94)

The Central Bank of Guatemala has reported that as of 30 September the public foreign debt totaled $2.1 billion. Of this amount, $1.5 billion corresponded to the public sector and $619.8 million to the Bank of Guatemala. This report cited a debt reduction of $124.6 million with respect to 1992, of which $85.7 million came from the Bank of Guatemala and $38.9 from the public sector. The foreign debt-gross domestic product relationship increased from 21.6 percent by the end of 1992 to 18.7 percent in September of 1993. (Guatemala City EL GRAFICO in Spanish 6 Jan 94 p 62)

The National Cotton Council director has reported that cotton production in the country generated $13.9 million in revenues during 1993, a 1.7-percent increase with respect to 1992. According to cotton producers' estimates, national production will disappear in Guatemala within two years. The source concluded the decline in international cotton prices has continued, forcing several countries out of the market. (Mexico City NOTIMEX in Spanish 2357 GMT 6 Jan 94)

A study conducted by UNICEF's Social Planning Secretariat has revealed that 25 percent of the Guatemalan population is suffering from poverty. The document has reported that poverty is growing 5 percent annually. The study also highlighted the low social security coverage in urban areas, which is even worse in rural areas. UNICEF has concluded that some 77.6 percent of Guatemalan children suffer from some degree of malnutrition. (Mexico City NOTIMEX in Spanish 1904 GMT 8 Jan 94)

Panama

Solidarity Party Nominates Presidential Candidate

PA1101151894 Panama City LA PRENSA in Spanish 7 Jan 94 p 1

[Report by Hermes Sucre Serrano]

[Excerpts] Yesterday, the "Solidarity" party political commission selected journalist and businessman Samuel Lewis Galindo to be the presidential candidate for the 1994 elections. Carlos Clement was selected as the candidate for the first vice presidency, and Maria "Marisin" Villalaz de Arias was selected to be the second vice presidential candidate.

A resolution from the party's political commission indicates that Solidarity meets the necessary conditions and has the necessary strength to head a presidential slate as a result of its image, active membership, discipline, organization, prestige, determination, and consensus to accomplish the unity and progress of the Panamanian people.

The resolution states: "Solidarity has been taken into account by other important political forces, which have contacted the party to gain its support with the intention of participating in the next election process."

Lewis Galindo's nomination was announced yesterday at one of the party's main political centers located in the Obarrio neighborhood, after a lengthy meeting between the party's main leaders. Samuel Lewis Galindo, a principal member of the National Brewery board of directors, expressed appreciation for the nomination and

promised he will head a civilized political campaign aimed at eliminating hatred and uniting the Panamanian family.

"Neither I nor my party will sow hatred. Today, more than ever, we must make a joint effort to help solve the numerous problems that are devouring our community's underpriviliged groups," he pointed out. [passage omitted]

Yesterday, the presidential candidate stated that Panamanians are tired of disputes and conflicts which lead nowhere. "We are the party that will save the country from chaos and hate mongers who would rather have individual confrontation instead of striving for useful things," Lewis Galindo restated. He said that under the motto "leadership, honesty, and work," Solidarity gathers Panamanians from all social levels to give answers to a society that feels unprotected at this time.

First vice president candidate Carlos Clement was the public works minister at one time. He is an architect specializing in urban development. He is also one of the party's founders and is currently party treasurer.

Second vice president nominee Dr. Marisin Villalaz de Arias was director of the National Medical Association. She was active during the civic struggle against Manuel Antonio Noriega's dictatorship. She was a Nationalist Liberal Republican Movement candidate for legislator for the 8-9 Circuit during the 1989 elections.

Abraham Martinez, Solidarity party political affairs secretary, told LA PRENSA that the slate headed by Samuel Lewis Galindo will be recommended to the national directorate during the national convention. Martinez also said Fernando Manfredo decided to abstain from participating on the slate in order to, as he put it, support any new alliances the party may enter.

The political affairs secretary holds that Solidarity is the party with the most number of followers and greatest drawing power. "We are working on specifics. On Tuesday 10 January [date as published] we will completely sweep through the San Miguelito District," he concludes.

Democratic Revolutionary Party Headquarters Hit by Attack

PA1101185494 Panama City Telemetro Television Network in Spanish 1731 GMT 11 Jan 94

[Report by Julia Elena Alvear; from the "Telemetro Reports" newscast]

[Text] Amid the political agitation the country is experiencing, the first political attack was perpetrated against the PRD [Democratic Revolutionary Party] headquarters located in Juan Diaz.

An explosive device went off during the predawn hours at the PRD offices in Juan Diaz. As this video shows [video shows policemen gathering evidence from explosion site, iron door open, PRD office glass door], the device was apparently placed outside the building, and the blast only reached the front light of the building and smeared the walls and side wall with a gray substance.

Specialized units of the Explosive Department of the National Police appeared at the explosion site. They gathered the first evidence to determine what kind of explosives was used, although it is presumed it may have been industrial-type explosives.

PRD members blamed progovernment parties for the attack and termed the blast as a threat.

[Begin recording] [Ricardo Vega, member of the PRD Political Commission] Evidently it seems that this is a clear expression of threats affecting an electoral process, which we hope would be clean. This is the first attack perpetrated against a PRD office, and we believe this is the beginning of an escalation of attacks that will occur amid the electoral atmosphere.

[Baltazar Aizpurua, PRD prosecutor] We know and are sure this is the result of the goverment's desperation over the victory the PRD will obtain on 8 May. [end recording]

This is the first attack against a political party—less than four months away from the elections.

The Electoral Tribunal described the attack as reprehensible.

[Begin Magistrate Guillermo Marquez Amado recording] We have not confirmed the point yet; that is the fundamental point I want to make. Second, I want to state strongly that it is reprehensible, from every point of view, that Panamanians have not learned yet to settle our differences civilly, like brothers and members of a single national family. No matter from where the attack comes, it is inconvenient and unfair to use our hands to hit each other instead of using them to progress.

Roundup of Economic Developments Through 11 Jan

PA1101180894

[Editorial Report] The following is a compilation of reports on Panamanian economic developments monitored through 11 January. Source is cited in parentheses following each item.

According to estimates by government and business sources, the Panamanian economy experienced growth of 6-7 percent in 1993. According to the General Commerce Directorate of the Commerce and Industries Ministry, 6,938 commercial licenses were issued nationwide up to November 1993. The issued licenses generated $28 million in invested capital and approximately $327,000 in taxes. The General Industries Directorate granted 7,513 import permits, which represents a 15-percent increase compared with 1992. According to figures from

the Planning and Economic Policy Ministry, the number of public employees fell by 4,943—a 3.4-percent decrease—between 20 December 1989 and 31 October 1993. For the same period, however, salaries increased from $64.4 million to $69.6 million, which implies a 7.9-increase in the government payroll. With the Voluntary Retirement Program, the current government plans to reduce the government payroll by about 6,000 jobs, which will save the state $30 million. Through November 1993, some 2,356 public servants had joined the program. (Panama City EL PANAMA AMERICA in Spanish 9 Jan 94 p 1D)

In 1993, Panama imported $2 billion in goods and exported $480 million. Panamanian exports from 1979 to 1992 have not surpassed $500 million; however, imports for 1993 only reached $2 billion. Bananas, Panama's leading export, were down $5 million through August 1993 compared with 1992. Prospects for banana exports are not very optimistic because of EC restrictions on Latin American banana imports.

Shrimp, Panama's second leading export, experienced a modest growth of $1 million through August 1993 over the $41.6 million earned in the same period in 1992. According to preliminary figures from the Comptroller's Office, Panama imported $1.589 billion through August 1993. Panama mainly exported crude oil, distilled combustible oils, medicines, and vehicles. (Panama City EL PANAMA AMERICA in Spanish 9 Jan 94 p 1C)

Panamanian Tourism Institute Director Anel Beliz said the tourism industry experienced a 10-percent growth in 1993, contributing $260 million to the economy. In 1993, 375,000 tourists visited Panama, which means 15,000 more tourists than in 1992. (Panama City LA PRENSA in Spanish 8 Jan 94 p 9A)

Comptroller General Jose Chen Barria said international financial institutions will give Panama $234 million during the first quarter of 1994. (Panama City EL PANAMA AMERICA in Spanish 4 Jan 94 p 2A)

According to Jose Delgado, deputy director of the General Consular and Ships Directorate, Panama moved into first place in the international ship registry with 777 vessels and collected $41 million in revenues in 1993. Delgado said that up to November 1993, Panama was ahead of Liberia by 1.2 million tons. He added that the net growth registered during 1993 was $4.3 million and 290 vessels.

Delgado stated that Panama has maintained a constant growth since 1990 regarding ship registry. According to Delgado, growth will remain constant so long as the international shipyards continue building new vessels. (Panama City EL PANAMA AMERICA in Spanish 10 Jan p 8C)

Argentina

Alleged Attack 31 Dec Against Menem's Plane Denied

PY1101141194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1308 GMT 11 Jan 94

[Text] Buenos Aires, 11 Jan (NA)—Military Household Chief General Jorge Rearte today denied that there was an alleged attack against the plane in which President Carlos Menem travelled on 30 December. According to press reports issued today, the incident prompted a detour on its route to La Rioja.

Rearte stated that the information published today by a Buenos Aires newspaper is "completely inaccurate," emphasizing that "there was no such detour; the aircraft took the direct route."

The press report, published today, is based on an alleged top-secret military and political report in which those responsible for the president's safety allegedly state that a missile was aimed at the aircraft transporting Menem to Anillaco, where he celebrated the New Year.

The report adds that Rearte personally ordered the detour of the aircraft from the original route and ordered a prolonged circling before landing in La Rioja.

Rearte said that La Rioja police "probably" carried out a dragnet operation near the airport, adding that it was probably just for "preventive purposes."

Rearte asserted: "When an important person travels to a certain place it is normal to check beforehand for any abnormal situation."

He added that he was unaware of the origin of the reported missile base which, according to the press report, was the target of investigations by security forces.

Rearte concluded: "The alleged attack is fully dismissed. I can assert that absolutely nothing happened."

Presence of Argentine 'Guerrillas' in Chiapas Revolt Denied

PY1101153794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1046 GMT 11 Jan 94

[Text] Buenos Aires, 11 Jan (NA)—Deputy Foreign Minister Eduardo Petrella today denied the existence of official information on the presence of Argentine guerrillas in the National Zapatist Liberation Army (EZLN) in the State of Chiapas, Mexico.

He thus denied a report published today in a Buenos Aires daily which states that "Argentine citizens, who formally belonged to the People's Revolutionary Army, are in prominent EZLN posts."

This information, the newspaper article states, "allegedly became available last week in Buenos Aires though secret reports prepared by the Mexican Government."

According to the article, President Carlos Menem allegedly personally referred to the issue when he denounced the existence of "subversive mercenaries" in the revolt in the State of Chiapas.

In statements to a radio station, Petrella said: "We have no information" about Argentine guerrillas in Chiapas.

The deputy foreign minister said: "Our embassy keeps us permanently informed about these things," adding that the Mexican problem cannot be "extrapolated" to Argentina.

He added that he knows nothing about a possible meeting at a continental level to discuss the Mexican problem. The OAS has not made any "collective suggestion" on the subject, he said .

Economy Minister Warns About Current Economic, Political Situation

PY1101195494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1803 GMT 11 Jan 94

[Text] Buenos Aires, 11 Jan (NA)—Economy Minister Domingo Cavallo warned today that "there is a breeding ground for guerrilla actions in the provinces where no progress has been made on economic changes." He added that the "faults in the security mechanisms" are to blame for the recent incidents in Santiago del Estero.

Cavallo said that the provinces that joined the federal fiscal pact must extend the elimination of taxes on gross income, and concentrate on tax collections on wholesale and retail business where "there is still a great deal of tax evasion."

Cavallo then referred to the guerrilla actions in Mexico, saying that "the Central American guerrilla organizations were able to operate in Mexico due to faults in the security system which did not prevent an attack on cities."

Cavallo also denied that the Economy and Interior Ministries would concentrate in their hands the government's social spending, while admitting that coordinated action would be carried out to discover "what part of the spending each ministry does."

Cavallo also confirmed that the government "will not retreat on the reduction in employers' contributions," but indicated that the collection for social projects and for the PAMI [Comprehensive Medical Assistance Plan] will not be reduced—rather, "to the contrary."

He added: "There will be no losses. The collection for social projects will be either maintained or increased."

Cavallo made these comments today during a news conference to discuss various current economic and political issues.

He first referred to the strike called by the CGT [General Confederation of Labor], saying that the measure is within "constitutional rights, but there is no reason to do it; it will not be useful."

Cavallo said that what caused the strike was the decision to reduce employers' contributions, which is a decision that "should not have surprised anyone, because we always said we were going to reduce them."

"Social projects will not lose one cent," said Cavallo in a direct message to the union. He added: "The collection for social projects will be increased with relation to 1993."

He admitted, however, that "there may be some problems in redistribution." He added: "This is what the National Administration for Health Insurance is for."

Cavallo indicated that the contributions' reduction will represent "greater production, lower prices, investments, and new sources of work."

Regarding the government's alleged persecution of unions, Cavallo said: "The operations of the DGI [General Directorate of Taxation] began in October-November, and not when the reduction in the contribution was decided."

Regarding politics, Cavallo agreed with presenting a single list for the election of constituent members in Cordoba Province.

In answer to a specific question on this issue, Cavallo said: "The technical answer is that it seems to me that the single list is a very good thing, because there would be more constituent members from the Justicialist Party and the UCD [Democratic Center Union] than from the Radical Civic Union."

Cavallo added: "If the Radicals have a majority, they would obstruct the economic process because their only chance to win the elections is if the economic program fails."

He added: "If there is a confrontation I might consider the possibility of becoming a candidate for the Constituent Assembly, but if the results of 3 October 1993 are reflected I will be quite satisfied."

Brazil

Criticism From Argentine Minister Examined

PY1101204094 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Jan 94 p A3

[Editorial from the "Notes and Information" page: "Cavallo's Criticisms"]

[Text] Domingo Cavallo has tremendous energy. He takes care of Argentine economic policy and still finds time to criticize the manner in which Brazilians conduct their own business. The Argentine economy minister does not like what he sees on this side of the border. For him, Brazil serves as example of what must not be done. What are we doing so wrong? According to Cavallo, we maintain low salaries and a policy of hunger so that surplus production may be exported at any price. And that, he guarantees patriotically, Argentina will never do, although it might have done so "in times of recession."

The Brazilian economic policy is one of Cavallo's favorite targets. He never loses an opportunity, and if there is no opportunity he creates one. It is an irritating habit which would be no more than that had the policy not been a copy of ideas or due to subjective evaluations. In this case it is difficult to ignore the minister's periodical diatribes, as he is the director of economy of our greatest partner in Mercosur [Common Market of the South], an undertaking which not only has consequences for the performance of some companies, but has become the greatest political adventure the two countries between them have ever tried. The economy minister's verbal lack of self-restraint does not contribute to a greater harmonization of relations, which fortunately are good and apparently gossip-proof. The Brazilians are, however, partly to blame for these untimely remarks, because of the harshness with which Itamaraty treated the Argentine distortions concerning the establishment of the minimum common tariff for Mercosur. In those sectors with long memories and little patience, Cavallo's criticisms generate distrust; and there are those who term it an Argentine "vice" to attack a neighbor in order to guarantee national unity, the most recent episode being that of the Malvinas Islands.

Minister Cavallo runs an economy that in general terms is the size of that of Sao Paulo, though not as complex. Thanks to less pressing and disturbing variables he could dollarize the economy, sell the assets the government had in the sector producing goods and services, and control public spending. This allowed him to reduce inflation to 7.4 percent annually and push the average annual growth rate since 1991 to 7 percent. That is not a minor achievement, but it does not make Argentina a compulsory model for Brazil. Neither does it prove that the macroeconomic differences between the two countries hinder the operation of Mercosur.

Minister Cavallo and those whose opinions he represents find it rather difficult to admit that even though Brazil's macroeconomic results are not like those of Argentina—at least not the kind of results of which Argentines are justly proud—the Brazilian economy is much bigger, more diversified, more sophisticated and, above all, our management and marketing methods are ahead of those of the other Mercosur countries.

The result of this, in addition to the very important factor that the dollar-peso rate has reduced Argentina's competitiveness in international markets, is that Brazil is currently Argentina's largest market. In turn, 20 percent of Argentine imports are supplied by Brazil, which buys only 9 percent of its imports from Argentina. If Brazil were purposedly selling recession leftovers, such

leftovers would be the products being purchased by Argentina. Yet this is not happening. The products we sell to Argentina can be sold on any market. And we sold them even after Minister Cavallo unilaterally cancelled the preferential tariffs that we should enjoy as members of Mercosur and ALADI [Latin American Integration Association].

During the first 10 months of 1993, Brazil registered a trade surplus of $810 million with Argentina, a figure that is 31 percent smaller than the figure for the same period in 1992. This was not caused by a reduction in the quality of our products, or by the dynamics of Argentine industry. Brazil has simply complied, without distortions, with the agreements reached with Argentina, and started buying Argentine oil and wheat instead of purchasing them from other suppliers. In the case of wheat, Brazil has even disregarded better offers from the United States, thus clearly proving that—for the Brazilian Government—agreements are valid even if they harm our consumers to the benefit of Argentine producers.

The year ahead of us poses challenges to those responsible for the economies of the two countries. They are serious yet different challenges. Brazil, despite its 2,500 percent inflation rate, registered a 4.5-percent growth in GDP and a 9-percent growth in industrial product. Brazil is in an advantageous position. Argentina, however, with a 7.4-percent inflation rate and a growth rate of 7 percent of its GDP, has a high unemployment rate, which affects 17 percent of the economically active population. This has put 26 percent of Argentines outside the consumer market. It is not just by chance that the Menem government will this year concentrate on creating jobs in rural areas, in order to avoid the regional differences that produce disturbances like those in Santiago del Estero.

We have always maintained that Sao Paulo is not Brazil. Argentines will end up discovering that Buenos Aires is not Argentina.

Murdered Labor Leader's Last Interview Denounces PT, Lula

PY1101180294 Rio de Janeiro O GLOBO in Portuguese 9 Jan 94 p 10

[Text] Sao Paulo—The night before he was murdered, Oswaldo Cruz Junior, president of the ABC [Sao Paulo's industrial belt] Highways Driver Union, granted an interview to the NEWSPAPER OF GREATER ABC in which he accuses Luis Inacio Lula da Silva, the virtual PT [Workers Party] presidential candidate, of heading a scheme to transfer union funds to the party.

He told the newspaper: "Sometimes Lula personally asked us, the labor leaders, to collect money from members."

Oswaldo Cruz Junior was murdered by Jose Benedito de Souza on 6 January. Souza was a supporter of his uncle, union secretary general Cicero Bezerra da Silva, who recently accused Cruz of illegal enrichment. From the moment he returned to his post, Cruz [who returned as part of a deal to leave his post to Bezerra and run for president at the drivers federation] reported the irregular transfer of union funds to the PT. During the interview, Oswaldo Cruz Junior revealed that the transfer of funds to the PT was systematic and that the operation was carried out in three different ways. One way was to label the transfer of funds as special union expenses.

"The drivers union spend 15 million cruzeiros in special union expenses during 1993 alone," Oswaldo Cruz Junior said.

Cruz reported that the second way to transfer funds to the PT was to increase union contributions, authorized by ghost assemblies.

"Sometimes we published edicts convening assemblies to authorize discounts of up to 6 percent. The trick was that the edicts were not distributed, no one came to the assembly, and the discounts were approved," Cruz said.

Oswaldo Cruz Junior's interview in the NEWSPAPER OF GREATER ABC states that the third mechanism for transferring union funds to the PT was the manipulation of deposits held for social security contributions and monthly contributions by companies, which were directly sent to the unions as of 1988.

"If you were to audit the ABC Metallurgical Union you would see that the union almost went bankrupt in 1989," Cruz stressed.

Oswaldo Cruz said that the union contracted Cotrigal Graphics of San Andres to print Lula's presidential campaign material in 1989, but the material was printed in the workers' newspaper CHAPEU DE BICO which increased its number of issues from 10,000 to 300,000 in a single month.

"He will not be able to deny it after I show you what was published," the union leader said in a challenging manner.

Cruz added that in February 1992 5 million cruzeiros was transferred to the Santo Andre branch of the PT. The union money was to have been used to purchase of the party headquarters. Cruz said that the PT Municipal Building was to be purchased by the drivers, the chemical, and the metallurgical unions. During the interview Cruz said that he received several calls from Deputy Arlindo Chinaglia, the PT state president, proposing a deal to stop denouncing Lula's party.

Cruz said he had proof, adding that he had a meeting scheduled with Senators Jarbas Passarinho (PPR-PA) [Progressive Renewal Party-Para] and Esperidian Amim (PPR-SC) [PPR-Santa Catarina] for 11 January to talk about the CPI [Congressional Investigating Committee] on the CUT [Sole Workers Center]. During the interview with NEWSPAPER OF GREATER ABC, the labor leader produced a box of video tapes which, he said, contained proof of th? transfer of union funds to the PT.

Antonio Carlos Monico, former Santo Andre PT president, yesterday denied allegations that ABC unions had ever transferred money to the PT for the electoral campaign of party candidates. Monico was named by union leader Oswaldo Cruz Junior, who was murdered on 6 January, as a witness of the PT use of union funds in electoral campaigns.

Sarney, Quercia To Resume Alliance Within PMDB

PY1101142294 Sao Paulo FOLHA DE SAO PAULO in Portuguese 9 Jan 94 Section 1 p 4

[From the Brasilia Bureau]

[Text] Former Sao Paulo State Governor Orestes Quercia last week opened the battle against the so-called Gaucho Group [from Rio Grande do Sul State] to obtain predominance within the PMDB [Brazilian Democratic Movement Party]. The Gaucho Group is headed by Pedro Simon (PMDB-RS [PMDB-Rio Grande do Sul State]), the government's leader in the Senate. The Gaucho Group supports the candidacy of former Social Security Minister Antonio Britto in the upcoming presidential elections.

The Quercia faction has been strengthened by former President Jose Sarney's announcement that he will stay in the PMDB. Harassed in the PMDB and believing he had lost Quercia's support, Sarney had tried to launch his candidacy for president through the PP [Popular Party], PFL [Liberal Front Party], PTB [Brazilian Labor Party], and even through the PL [Liberal Party], but he was not accepted by any of these parties.

On 15 January, the Quercia and Sarney factions will resume their old alliance and will announce their intention of getting the PMDB to break with the government. This was announced during a luncheon at Sarney's home.

Chile

President-Elect Frei Reported in 'Excellent' Condition

PY1101183994 Santiago Radio Nacional de Chile Network in Spanish 1700 GMT 11 Jan 94

[Text] President-elect Eduardo Frei will rest at Las Condes Clinic until 13 January. Senator Frei is recovering rapidly from the surgery he underwent yesterday.

The medical report released at noon today said the president-elect slept well during the night and was awoken at 0730.

[Begin unidentified medical doctor recording] The president-elect got out of bed at 1030 and walked around the room showing some of the usual tiredness provoked by surgery. He is in an excellent mood, but visits will be restricted following. He is on a light solid food diet. Because he has experienced some pain he is receiving analgesics orally. [end recording]

The good health of the president-elect was evident when he walked to his room's window in the company of his wife Martha Larraechea. Minutes before he had send a recorded message to the press.

[Begin Frei recording] I am happily very well. Yesterday, just following the operation I felt some pain, but today I woke up well. I have ended all my intravenous feeding. Today I ate normally. I got up at 0930 and I am beginning a good recovery. I am very calm, very well. I would like to take advantage or the opportunity to thank all those people who called and visited me from all around the country. I appreciate their affection and warm feelings very much. I am feeling very well and I will be out working again very soon. [end recording]

Background of President-elect Frei's Aides

PY1201024094

[Editorial Report] Santiago LA TERCERA DE LA HORA in Spanish on 25 December 1993 publishes on pages 6-7 a 1,400-word article on the backgrounds of the men chosen by President-elect Eduardo Frei to be his aides during his upcoming administration.

German Correa Diaz, interior minister-designate, of the Socialist Party. He is a sociologist, 53 years of age, married, with three children. He has a degree on sociology from the University of California-Berkeley, obtained in 1970. He was transportation and communications minister under President Patricio Aylwin until September 1992.

Victor Manuel Rebolledo Gonzalez, minister secretary general of government-designate, of the Party for Democracy [PPD]. He is a lawyer who has a postgraduate degree from the University of Madrid. He is 44 years of age, married, with two children. He was vice president of the International Union of Socialist Youths, and worked with the Spanish Socialist Workers Party of Felipe Gonzalez. He was elected deputy in 1989 and he is currently the president of the Party for Democracy.

Carlos Figueroa Serrano, foreign minister-designate, of the Christian Democratic Party [PDC]. He is a lawyer, 63 years of age, married, with eight children. He was under secretary of agriculture, agriculture minister, and economy minister under the administration of President Eduardo Frei Montalva. He was also president of Radio Cooperativa. He was in charge of communications and publicity for the presidential campaign of Patricio Aylwin. He was ambassador to Argentina until 30 May 1993, when he resigned to join the campaign of Eduardo Frei Ruiz-Tagle.

Edmundo Hermosilla, housing and urban affairs minister-designate, of the PDC. He is a commercial engineer, 37 years of age. He was vice president of City Bank in

Chile. He was development manager in the Production Development Corporation until 1992.

Edmundo Perez Yoma, defense minister-designate, of the PDC. He is an engineer, 54 years of age, married, with six children. He also has a bachelor's degree from the University of Washington. He was general manager of the Gaunaye Fishing Company. He is a businessman involved in construction activities. He was chairman of the Chilean Electric Company until 1992, when he resigned to join the Eduardo Frei campaign.

Eduardo Aninat Ureta, finance minister-designate, independent. He is a commercial engineer, 45 years of age, married, with six children. He graduated from the Catholic University in 1970, and has a PhD from Harvard University. He was appointed council director of the Chile-Europe Foundation by President Patricio Aylwin. He was also the official negotiator of the foreign debt until March 1991. He became president of the National Telecommunications Enterprise in 1991. He was a professor of public finance at Boston and Harvard Universities.

Narciso Irureta Abusto, transportation and telecommunications minister-designate, of the PDC. He is a lawyer, 69 years of age. He was president of the Christian Democratic Party in 1960 and 1971. He became the presidential candidate for his party but was defeated by Eduardo Frei Ruiz-Tagle. He was a senator for Valdivia, Osomo, and Llanquihue during the decade of the seventies, and was former vice president of the Senate.

Felipe Sandoval Precht, vice president of Corfo, Production Development Corporation, minister-designate, of the PDC. He is a civil engineer, 36 years of age, married, with three children. He was national president of the PDC Youth Organization, and national secretary and vice president of the PDC.

Ricardo Lagos Escobar, public works minister-designate, of the Socialist Party. He is a lawyer who has a degree from Duke University. He is 55 years of age, married, with five children. He was education minister under the Patricio Aylwin administration until September 1992. He resigned to run in the primary elections, which he lost to Eduardo Frei Ruiz-Tagle.

Jorge Arrate Mac Niven, labor and social security minister-designate, of the Socialist Party. He is a lawyer, 52 years of age, married, with two children. He became Socialist Party secretary general in 1989, and party president in 1990. He was appointed education minister under Patricio Aylwin in September 1992.

Alvaro Garcia Hurtado, economy, development and reconstruction minister-designate, of the PPD. He is an economist, 39 years of age, married, with two children. He has degrees from the University of Maryland and the University of California. He was a member of the commission that prepared the program for the Coalition of Parties for Democracy. He became a member of the Eduardo Frei electoral campaign in 1993.

Genaro Arriagada Herrera, secretary general of presidency minister-designate, of the PDC. He is a lawyer, political scientist, social communicator, and writer. He is 50 years of age, married, with two children. He was vice president of the Christian Democratic Party, and is the current party secretary general.

Carlos Massad Abud, health minister-designate, of the PDC. He is a commercial engineer, 61 years of age, married, with five children. He has a master's degree in economics from the University of Chicago. He was vice president of the Central Bank from 1964 to 1967. He became Central Bank president in 1970 and the same year became a member of the IMF executive board. He joined the Economic Commission for Latin America in 1983. He is the executive director of the Eduardo Frei Montalva Foundation.

Luis Maira Orrego, planning and coordination minister-designate, of the Socialist Party. He is a lawyer specializing in international relations, 53 years of age, married. He was elected deputy for Santiago in 1963, and was reelected in 1969 and 1973. He was a PDC militant but left that party in 1969 to create the Christian Left, which was part of the Popular Unity. He is currently secretary general of the Socialist Party.

Adriana del Piano, national resources minister-designate, of the PPD. She is a social worker. She is currently the director of the interdisciplinary research program in education.

Interview With Finance Minister-Designate

PY1201014094 Santiago EL MERCURIO in Spanish 2 Jan 94 pp B1, B22

[Interview with Chilean Finance Minister-Designate Eduardo Aninat by Carolina Garcia de la Huerta; place and date not given]

[Excerpts] [Garcia] He was taken aback by his appointment. He had already pictured to himself that he and his family would travel to Washington, where he would be in charge of Chile's embassy in the United States. He had even practically finished packing his suitcases.

But fate and [President-elect] Eduardo Frei decided otherwise. He will be the successor to [Finance Minister Alejandro] Foxley, as well as to [Copper Corporation Executive President Designate Juan] Villarzu.

Eduardo Aninat, 45, is a Catholic University graduate in economics. He has a PhD in economics from Harvard University. He is well known in Chilean circles for his negotiating skills. President Aylwin entrusted him with the task of negotiating Chile's external debt in 1990. He is married to Teresita Sahli, and has six children. He has always been linked to the private sector and to economic affairs through his firm of management consultants—Aninat, Mendez, and Merino—which will have to lie dormant for several years.

At the president-elect's personal request he headed, until recently, a special commission, also including Fernando Leniz and Ramon Aboitiz, which was in charge of several aspects pertaining to the handing over of power. Aninat explains that the reason behind this is that the new administration wants to commence its period of office by working, and to that effect a seminar is to be held for the first time on the coming 13 March. It will be addressed especially to leading figures from foreign companies, who will have the chance to listen to presentations made by the new government's team.

This tall man, with a clear gaze and prematurely gray beard, speaks with great deliberation and in a reassuring tone. He keeps toying with a pencil while he speaks. Nothing seems to disturb him or, least of all, annoy him. He says that he does not have any obsessions, and has but one pet dislike: "I do not like people who bore you to tears by talking too much." Warm and unaffected, he is now getting ready to leave his office, located in one of the few houses left near El Bosque Street, which is at present lined with high-rise buildings. As of March he will occupy the best offices of the 12th floor at 120 Teatinos Street, right in downtown Santiago and only a step from La Moneda—precisely he who enjoys nature and ecology so much. He says that when he leaves the Finance Ministry he will return to Valdivia [where he has his ranch]. [passage omitted]

It seems that you are in the same situation Minister Foxley was in. When he was installed as finance minister he commented that it had fallen upon him to dance with the plain lady of the cabinet. Do you hold the same views now?

[Aninat] No... I believe I am going to dance with one of the gorgeous ladies, but the great challenge is to keep her beautiful and prevent others from handling her roughly.

[Garcia] Are you concerned about this?

[Aninat] I have one very clear thing in mind... I would rather lose my post as finance minister than put the stability that cost us so dear in jeopardy, not even for a single minute. [passage omitted]

[Garcia] You were associate coordinator for foreign policy of Frei's campaign management team... You accompanied him to his meetings with [Mexican President Carlos] Salinas de Gortari, prior to the signing of NAFTA. You have been adviser to [Argentine Economy Minister] Domingo Cavallo. After having been involved in foreign affairs for such a long time, were you disappointed with the fact that you were left without the embassy in Washington?

[Aninat] That was a very interesting challenge which we came to believe would become a reality. My wife Teresita and I were ready to take that challenge, and were little by little planning our lives to accommodate this new reality. We were to have left in April. And yet by an odd quirk, and by virtue of the post I am going to hold, I am not going to totally abandon this, because undoubtedly the free trade agreement with the United States must be handled by the Finance Ministry. Nevertheless, now you will have me as minister and not as ambassador.

[Garcia] NAFTA became at one time Foxely's great banner. Will you try to follow in Foxley's footsteps with regard to that issue?

[Aninat] No, I think that there are many issues, and the agenda ought to be more diversified, more flexible, more in keeping with modern times!—he says, rapping with his index finger on the blue book on the table—Frei's economic program. There will be other issues; not the ones Foxley had to deal with, but it goes without saying that NAFTA will be high on the list of priorities, even though it will be one among many.

[Garcia] And what are you going to do with all the work you have done, all the folders you prepared to take over as ambassador?

[Aninat] I am going to give them to my dear friend and fellow party member, [Foreign] Minister [-designate] Carlos Figueroa Serrano, next week. [passage omitted]

[Garcia] It has been said that there is a marked resemblance between you and Foxley, and that because of this one should expect "more of the same thing." Is that correct?

[Aninat] I would venture to say that we will now take strides while ensuring continuity, but there will also be a greater variety and complexity of issues.

[Garcia] Do you uphold your criticism of the economic team, namely that it lacked boldness in moving forward more quickly?

[Aninat] I do. I think that after a difficult first year, 1990, the period 1991-93 was characterized by some favorable objective conditions that would have enabled some areas to be streamlined more speedily.

[Garcia] Such as?

[Aninat] The modernization of the whole apparatus of government itself and an earlier incursion into capital markets, even though a good bill has been submitted to Congress.

[Garcia] The same one that has been sitting there for a year, and has not yet been passed?

[Aninat] Yes, but one must bear in mind that the executive branch is not entirely to blame for that.

[Garcia] Chile has been rated internationally as Plus Triple B concerning investment risks. Many people wonder what the use of this classification is, if there are not a greater number of companies that can invest

abroad, if the AFP's [Pension Fund Managing Companies] are limited, if banks are unable to invest abroad... if there are also so many restrictions to bringing in and remitting capital abroad.

[Aninat] That area, which is quite complex, is one of my favorite subjects, because what Foxley and I tried to do with the famous Eurobonds was to fully place Chile's name on voluntary financial markets.

[Garcia] And that has been accomplished.

[Aninat] But it was properly accomplished, thanks to that first signal at that time. We have therefore indeed derived benefits from something that you omitted—the perception, the classification of risk country has not only improved with regard to how foreigners assess us, but also as to how Chilean businessmen themselves and local agents view our country. I deem that the domestic investment rate would not have been as high as it currently is if we had not managed to attain that favorable reinsertion abroad.

[Garcia] But we continue to talk at the level of perception. We have a country of a quality that very few in Latin America can dream about. Can we take better advantage of this situation?

[Aninat] Progress must be made. I would like to coordinate my work with other members of the cabinet, and especially with the Central Bank, to continue to make progress on what you are talking about. We need a greater presence abroad for the Chilean AFP [Pension Fund Administration Boards], and the gradual participation of first class (he emphasized this) Chilean banks abroad. I feel the same way about the insurance companies and the investment funds. In other words, continue to internationalize our financial market further to integrate it with the rest of the world. This does not mean taking on anything and in any order.

[Garcia] Where is the limit?

[Aninat] The idea is not to be liberal just for the sake of being liberal; things should be done scientifically. And sometimes the private sector, or part of it, either because it's the fashion or the passion, tend to jump in with both feet without evaluating all of the risks.

[Garcia] How can you pretend to be moving faster on the internationalization of the Chilean economy if you said that the Chilean Central Bank "is excellent but conservative?"

[Aninat] It seems that all the central banks around the world are conservative, and in this sense they are an interesting counterbalance for many pressures. But I am lucky, excuse me for speaking in the first person, to know the five current bank members very well. Therefore, I believe the issue of coordination and communication with the Central Bank will go well... At least that is my intention.

[Garcia] You said you want to work to motivate all Chileans. If when you take over the ministry there are 4 million poor people, how many fewer will there be six years from now?

[Aninat] I would not dare to establish a goal in figures now, because I am just now—as some people say—reading the specific tasks ahead. What is clear is that Chile has the moral, ethical, political, and social obligation to drastically reduce the number of Chileans affected by poverty. And in particular, it has the obligation to improve the situation of the 1.2 million people who live in extreme poverty.

[Garcia] Will an important part of the resources be appropriated to them?

[Aninat] An important part of the administration will be dedicated to them. And this goes beyond resources. It means evaluation, costs, benefits, and the rational use and greater sophistication of the many social programs.

[Garcia] What does that mean? Is that a criticism of the effectiveness of social spending over the last four years?

[Aninat] It is not a criticism. But if on the one hand one studies what has been done in the different types of programs in health, housing, social security, and on the other studies the requirements of the new times, it can be seen that some of these programs were created more than two decades ago. I believe the time has come to review whether the type of development, administration, and management involved in social spending is appropriate for 1994.

[Garcia] But does that mean the same amount of resources, the same amount of taxes?

[Aninat] There is a legislative mandate that must be respected. The tax debate is already over, and therefore the key issue here is growth. We must have growth in order to continue to improve equity and increase social spending. This is essential.

[Garcia] Are you afraid of the threat posed by the international recession which is still hanging over our country?

[Aninat] I am not afraid of it, but rather concerned about it. I believe we should put it clearly. With Germany registering a negative growth rate this year, and France and Italy a zero growth rate, and in the Group of Seven only the United States beginning to recuperate, we must necessarily behave with extreme cautiousness.

[Garcia] What does that mean?

[Aninat] It means that the level of spending in our economy should be entirely consistent with its level of income and with its potential productivity.

[Garcia] Based on that, would you support reducing the current level of spending? The 1994 budget provides for expenditures surpassing the growth rate of the economy...

[Aninat] I cannot yet draw such a specific conclusion, but I would say that as far as making income consistent with spending is concerned, what we have begun to do is to examine the final figures of the economy in the last quarter of 1993, to see whether there is actual consistency or whether supplementary measures must be enforced.

[Garcia] What is your perception of what might occur in the world economy in 1994?

[Aninat] I believe the world economy will very slowly begin to recuperate. It will be a slow, partial, and unequal recuperation, with several countries still remaining stagnant.

[Garcia] Could 1994 be even more complex for Chile?

[Aninat] It might eventually turn out to be more complex.

[Garcia] The balance of trade is expected to register a deficit that will be considerably higher than the one registered this year, which will be at approximately $900 million.

[Aninat] Our current account deficit remains within limits that we can manage easily. Therefore, what we and the Central Bank should do is carefully evaluate, as a whole, the evolution of the terms of exchange, the balance of trade performance, and the current account deficit.

[Garcia] You have said that you do not yet want to set any targets. Do you believe Chile can expect a one-digit inflation rate for 1997, as Villarzu stated?

[Aninat] As I have already told you, I cannot make categorical, specific statements now. But what I can promise all Chileans is that the target of continuing to gradually reduce inflation will remain a priority for the Finance Ministry. [passage omitted]

[Garcia] Your slogan has been "not hasty, but in-depth privatization." What would be your first suggestion for privatization?

[Aninat] I would like to carefully study the list of enterprises that are currently run by Corfo [Production Development Corporation], and which are of various types. There are enterprises in the areas of shipping, transport, water supply, and sewage, there are agriculture undertakings, etc.

[Garcia] What would you suggest be done with them?

[Aninat] As I am saying, I believe it is high time that the list be very carefully studied in order to establish targets and priorities on a careful timetable, so as to make progress in a determined manner toward the private sector in those areas. [passage omitted]

[Garcia] What are your plans for Codelco [Copper Corporation]?

[Aninat] I believe we need a sophisticated, comprehensive view of large-scale mining. First, because Chile has a comparative and also absolute advantage in the area and, therefore, cannot mortgage this sector. Consequently, from the viewpoint of the country, it is necessary to continue promoting investment in the mining sector.

[Garcia] The point is how to do it, with a privately-owned or state-run Codelco?

[Aninat] We have a state management problem in the sector. We have therefore thought about creating a holding with branches managed by independent corporations run by standard regulations. What is a necessary step. Creating self-supporting branches with responsible management. [passage omitted]

[Garcia] Did you participate in the design of the economic program?

[Aninat] I did in various parts, especially and very deeply in the foreign policy chapter.

[Garcia] Don't you think your own perceptions are bolder than those of the program in terms of liberalization and privatization?

[Aninat] I would say perceptions are the same, with some differences in rate or speed.

Colombia

Government Acknowledges Presence of U.S. Troops

PA1201043194 Paris AFP in Spanish 0346 GMT GMT 12 Jan 94

[Text] Santa Fe de Bogota, 11 Jan (AFP)—The Colombian Government acknowledged on Tuesday the presence of U.S. troops on its national territory, which—it explained—"are carrying out various tasks within the framework of current treaties" signed between the two countries.

A press communique issued by the National Defense Ministry reported there are 259 U.S. soldiers carrying out different tasks in various regions of the country. The official communique seeks to calm the strong controversy among country's politicians and media over the recent arrival of U.S. Marines in the area of the Colombian Pacific area, where—according to the government—they are participating in the construction of civil projects in the poor area of Juanchaco.

Tulua Mayor 'Upset' Over Search Bloc Presence

PA1201015594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 11 Jan 94

[From the "National" newscast]

[Text] The announcement that the Search Bloc has arrived in Valle del Cauca has upset Tulua Mayor Gustavo Alvarez who said nobody requested permission from him to house the Search Bloc members in that city's police academy.

[Begin recording] [Unidentified reporter] Mayor Alvarez, what have you learned about the presence of the Search Bloc here in Tulua?

[Alvarez] I have no official information on that. Neither the national government authorities nor the police authorities have notified me that the Search Bloc members will be housed in the Simon Bolivar Academy. However, I heard that report in a Voice of America broadcast and I read it on the front page of today's edition of OCCIDENTE.

[Reporter] What does the Search Bloc's arrival represent for the residents of Tulua?

[Alvarez] As city mayor, I will accept it. However, as a resident of Valle del Cauca, I am truly sorry. I have said that the Search Bloc in Valle del Cauca is following the orders of the U.S. ambassador and State Department officials. Just two days after Pablo Escobar was killed, they said that a war had to be waged in Valle del Cauca. I think Valle del Cauca does not need a war, and I think it can follow the law through reasonable means, through a dialogue, and seek solutions so that there will be no war here. [end recording]

Foreign Minister on Downed Venezuelan Helicopter

PA1101124694 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 10 Jan 94

[Telephone interview with Colombian Foreign Minister Nohemi Sanin by Juan Garzo; place not given; from the "NTC News" newscast—live or recorded]

[Text] [Garzo] The big news of today is the crash of a Venezuelan helicopter in Puerto Rico, Saravena, Arauca Intendency. The Armed Forces inspector general has reported that the helicopter crashed in Colombian territory after being hit by guerrillas.

Minister Sanin, you arrived in the country a few hours ago; what information do you have about this incident?

[Sanin] I arrived in the country last night from my vacation, but I have been in contact with the president for the past several days. The government is deeply concerned. The president has ordered an investigation from the Defense Ministry and Colombian Foreign Ministry. We are going to present to him the findings this afternoon. The Prosecutor General's Office has conducted a preliminary investigation, the results of which will be presented to the Foreign Ministry this afternoon.

I will be going to Venezuela on 12 January to sign a prisoners repatriation treaty, and I will be speaking with President Ramon J. Velasquez, the president-elect, the defense minister, the foreign minister, and the Venezuelan attorney general to present to them the results of the Colombian investigations to improve integration and cooperation efforts to avoid a continuation of criminal activities outside the legal framework of the two countries. I repeat: We are deeply concerned, and this afternoon we will decide, jointly with the president, what to do about this matter.

[Garzo] You have already spoken with President Gaviria. When this type of incident occurs, what measures are adopted at the Foreign Ministry level? What type of statement is issued?

[Sanin] Investigations are ordered, consuls must prepare a report, and experts go to work on territorial sovereignty, prisons, or whatever matter happens to be the issue. We are then presented with a report from the consuls and experts assigned by the Foreign Ministry. We have to receive reports from both the Defense Ministry and Prosecutor General's Office to then present all the conclusions to the president, with whom we always decide what action must be taken.

[Garzo] Can this be seen as a criminal act?

[Sanin] This is a very grave action that could involve one or more criminal actions; this matter is also being investigated in Venezuela, according to what Venezuelan authorities have told me. We are on top of the situation and do not want to diminish the seriousness of the incident, because national sovereignty, citizens' lives, respect, personal injuries, and many other factors are involved, and all of this is being investigated in the two countries.

[Garzo] Considering the problems that have emerged during recent months due to the guerrilla presence on the border with Venezuela, do you believe the Venezuelan Government really wants to resolve these problems?

[Sanin] Yes. We have tried to hold a meeting between the defense, foreign minister, and justice ministers of both countries in recent days, but considering that Venezuela will have a new government on 3 February, we have agreed that the meeting, which will also include the government and interior ministers of Colombia and Venezuela, should take place once the new Venezuelan Government is installed on 3 February.

[Garzo] That is, it is urgent that the defense ministers hold a meeting to clear up this situation and draft a common strategy to fight the guerrillas in that zone.

[Sanin] Yes. Once there is a new government in Venezuela the government, interior, defense, Foreign Ministry, and justice ministers will hold a meeting to avoid,

through cooperation and integration, criminal activities on either side of the border.

[Garzo] I want to ask you about another matter before you leave. How is President Gaviria's candidacy for the OAS post progressing?

[Sanin] The truth is that all Colombians must feel very proud that several chiefs of state have established contact with our president and asked him to allow them to present him as a candidate for the post of secretary general of the OAS, America's most important forum. The president is analyzing this. We should all recall the golden era Colombia enjoyed with former President Alberto Lleras Camargo in this organization. We are happy about this situation and waiting for President Gaviria's decision.

Roundup of Economic Developments Through 11 Jan

PA1201005294

[Editorial Report] The following is a compilation of reports on Colombian economic developments monitored through 11 January. Source is cited in parentheses following each item.

The National Administrative Department of Statistics, DANE, reported on 30 December that retail sales rose by 3.7 percent from January to October 1993, compared to the same period in 1992. Furniture and home appliance stores registered a growth of 14.1 percent in sales. (Santa Fe de Bogota EL TIEMPO in Spanish 31 Dec 93 p 1C)

A report by the National Association of Industrialists, ANDI, indicated that in 1993 the economy grew at the 5.16 percent rate announced by the government. The contribution of the industrial sector to this growth was less than 1 percent, meaning the Colombian economy in 1993 was marked by low vitality in productive activity, it added. (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 31 Dec 94 p 27)

A cold spell in Santa Fe de Bogota's savannas destroyed 30 percent of the areas's flower harvest. In addition to harming exports, approximately 26,000 workers will lose their jobs. The cold weather also destroyed the potato harvests in Boyaca and Cundinamarca Department, the country's chief suppliers. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 7 Jan 94)

The government granted a 21-percent pay increase to all its public officials, except the members of the military and some members of the Judicial Branch, who will receive a higher increase as part of the strategy to control public order and upgrade the system of justice. The increase represents 0.9 percent of the total production of goods and services of the economy or the GDP. The state indicated the raise will not hurt its macroeconomic goals because it has been included in the estimates for the 1994 budget. During the first half of 1993, the state's total spending grew 39 percent, and functioning costs rose 46.2 percent. (Santa Fe de Bogota EL TIEMPO in Spanish 5 Jan 94 pp 1a, 6b)

Textile manufacturers have rejected the government announcement to lift the port restriction on textile imports and proposed a "civic overseer" to assist customs in contraband control and detect fraudulent under invoicing. Jose Manuel Arias Carrioza, president of the Colombian Association of Textile Producers, sent a letter to Pedro Nel Ospina, director of the National Customs and Tax Directorate, complaining that port controls have slackened. Arias reports that 80 percent of Colombian textile factories suffered losses in 1993. The "civic overseers" are not intended to check customs work, but to ensure that the type of textiles imported do not compete unfairly with local production. (Santa Fe de Bogota EL TIEMPO in Spanish 5 Jan 94 pp 1a, 8b)

Colombian coal exports increased 27 percent in 1993 with shipments totalling 13.7 millions tons and worth $464 million, the Colombian Coal Enterprise, Carbocol, reported. During 1992, exports were 2 million tons less than the amount of coal produced. Carbocol disclosed that in 1993 production costs were reduced by 10 percent from $272 million to $245 million. Colombia faced a tough situation during 1993 when world coal surpluses topped 11 million tons, thus reducing long term contract prices by five dollars per ton. Currently, Colombia sells coal at $35 per ton maximum. (Mexico City NOTIMEX in Spanish 1735 GMT 7 Jan 94)

Housing and food prices were the main culprits for the government overshooting its 22 percent inflation rate goal for 1993. The inflation for 1993 has been reported at 22.6 percent. Dane Director Rodolfo Uribe says that the 1.13 percent increase in Christmas prices was mainly due to increases in the cost of gasoline at the end of the year. Housing costs for December reflected the greatest increases and were rated at 1.37 percent followed by food that registered a 1.18 percent increase. Clothing, health, transportation, and education registered below average increases. (Santa Fe de Bogota EL NUEVO SIGLO in Spanish 3 Jan 94 pp 1, 9)

Ecuador

Roundup of Economic Developments Through 11 Jan

PA1201013094

[Editorial Report] The following is a compilation of reports on Ecuadoran economic developments monitored through 11 January. The source is cited in parentheses following each item.

The National Secretariat for Administrative Development, SENDA, reported that during 1993, 25,198 public employees stopped working for the government. According to SENDA, the state thus reduced its size by reducing appropriations, eliminating vacant positions, and not renewing contracts. This is part of the effort to

modernize the administration. SENDA reported that in August 1992 the number of public servants was 366,227, and by 31 December 1993 the figure dropped to 341,773. (Paris AFP in Spanish 2132 GMT 4 Jan 94)

The European Union, EU, approved a donation for approximately $2.8 million to finance social welfare and ecological protection programs. An EU spokesman said that the aid will permit the implementation of a cholera prevention program to be carried out by French experts and Health Ministry officials. He added that an ecological evaluation will also be conducted within the program on the effects of oil exploitation in the jungle. (Quito Voz de los Andes in Spanish 2300 GMT 4 Jan 94)

The Ecuadoran State Petroleum Enterprise, Petroecuador, announced that a barrel of crude was sold at an average daily price of $10.27 in December, thus making the average yearly price $14.45 in 1993. In addition, the Energy Ministry reported that the 1993 Ecuadoran oil production figure was approximately 124.8 million barrels, 6 percent more than the preceding year. According to provisional figures, average daily production was 341,700 barrels in 1993 in comparison to 334,400 barrels in 1992. (Quito Voz de los Andes in Spanish 2300 GMT 4 Jan 94)

Petroecuador reported that a new oil well, which initially produced 500 barrels per day, was discovered in the Amazon region. The well is located near Auca well, eastern Ecuador, which accounts for 80 percent of the country's oil production. Petroecuador President Federico Veintimilla said that an intense exploration program will continue in 1994. (Paris AFP in Spanish 1635 GMT 6 Jan 94)

Energy and Mines Minister Francisco Acosta stated that Texaco has filed suit against the Ecuadoran Republic for more than $500 million. He also said that the government has asked the firm for compensation based on technical, tax, and ecological reasons. Acosta noted that an agreement could be reached relating to Ecuadoran interests and recognition of compensation for Ecuador. Rodrigo Perez, the Texaco representative in Ecuador, said that an agreement has been reached in principle on the technical and tax aspects. With regard to the ecological issue, he said that the results of a survey are being reviewed. (Quito Voz de los Andes in Spanish 2300 GMT 6 Jan 94)

Ecuadoran trade showed a positive balance between January and October 1993 of $693 million, compared to $745 million for the same period in 1992. The Central Bank disclosed that exports amounted to $2.4 billion and imports were $1.7 billion in 1993 compared to $2.5 billion in exports and $1.790 billion in imports during the first 10 months of 1992. (Quito Voz de los Andes in Spanish 2300 GMT 6 Jan 94)

President Sixto Duran-Ballen authorized the issuance of government bonds for more than $909 million to cover the balance of the foreign debt which must be serviced by the country's Central Bank. A presidential decree published in the Official Registry stated that the bonds will be issued in several currencies and will be paid in sucres. This bond issue will be used to service the foreign debt with commercial banks, the World Bank, and the Export, Import Bank of Japan, the government newspaper noted. The Ecuadoran foreign debt amounts to more than $12.6 billion. According to the Official Registry, the bond issue will allow the government to cover pending balances for several credits. (Quito Voz de los Andes in Spanish 2300 GMT 11 Jan 94)

President Sixto Duran-Ballen authorized the issuance of three government bonds in sucres for an equivalent of $272.6 million to capitalize the Ecuadoran Central Bank, an executive decree stated. According to the decree, a bond will be issued for 17.8 billion sucres, for two years, including a grace period of one year, at the basic interest rate that is in effect at the beginning of each quarter. The amortization will be made in two equal and consecutive biannual quotas that will expire on 30 June and 31 December 1995. (Quito Voz de los Andes in Spanish 2300 GMT 11 Jan 94)

Paraguay

Army Commander Denies Remarks on Appointment of Officers

PY1101142494 Asuncion NOTICIAS in Spanish 11 Jan 94 p 8

[Text] Army Commander Division General Lino Cesar Oviedo made it clear yesterday that the Armed Forces commander-in-chief appoints officers to their respective posts. Oviedo stated that the chain of command stipulates that the Armed Forces commander-in-chief conveys appointments to the 1st Army Corps commander who advises the 3d Cavalry Division, headquartered in Curuguaty.

On 9 January a report was published based on information gleaned from the Army's weekly, which states that the commander-in-chief of the Paraguayan Armed Forces—namely, engineer [President Juan Carlos] Wasmosy—received orders from Army Commander Gen. Oviedo on the appointment of officers to various posts.

Asked if there was any mistake in the text, Gen. Oviedo confirmed that the president appointed the officer in question, following a resolution of the office of the Army Command. The Army commander emphasized: "Resolutions are different from instructions. I give instructions, but this was not the case."

Oviedo hinted at the fact that the NOTICIAS report was misleading. He said that, following orders, he installed the chosen officer.

On a different theme, the Army commander denied that officers and troops are being kept in subhuman conditions in the 3d Army Corps. He pointed out that this could not happen because the barrack facilities are in perfect condition.

Incidentally, the Army commander's schedule next month includes a visit to the barracks of the 3d Army Corps, which is headquartered in the town of Mariscal Estigarribia.

New Colorado Party Executive Board Members Confirmed

PY1101174194 Asuncion HOY in Spanish 11 Jan 94 p 2

[Excerpt] During a special session, the Colorado Party Executive Board on 10 January confirmed Eugenio Sanabria Cantero as Colorado Party president, abiding by party statutes. The ANR [National Republican Association—Colorado Party] therefore reshuffled its Executive Board after [former party President] Blas N. Riquelme's resignation.

In descending order, the post of first vice president went to Juan Manuel Cano Melgarejo, the post of second vice president went to Enrique Gonzalez Quintana, and the post of third vice president went to Juan Carlos Galaverna, who was supported by the majority of the 64 members present.

In addition, the post of political secretary went to Cristina Munoz, who is the first woman to occupy this post.

The session was held in a calm atmosphere and most secretaries of state participated. [passage omitted]

Uruguay

Cuban Foreign Minister Interviewed

PY1101193794 Montevideo EL PAIS in Spanish 5 Jan 94 pp 13, 21

[Interview with Cuban Foreign Minister Roberto Robaina by Daniel Martinez Soto; place and date not given]

[Text] [Martinez] Mr. Minister, your generation was born after 1959. What are the differences between the generation that produced the process and the generation that inherited it?

[Robaina] Rather than talking about different generations—since we are all engaged in a single project—I would rather talk about a continuing generation, a generation that is aware of the many things that we have inherited. The project can be improved. I believe no one will accept living in a society in which everything has already been done.

[Martinez] Let us say you belong to a generation that had no choice but to accept what the regime said, a generation that was raised within the regime, and that today still has to accept it.

[Robaina] It is true that when we were born, many questions had already been answered; I feel sincerely grateful for this. I believe my entire generation agrees. I believe that, after 34 years, some answers must be updated, and that this updating should be done by all those who have an opinion. We have to answer new questions, and no one wants to be outside the design of the answers.

[Martinez] To make things clearer, are you and your generation part of the sector that still defends this process?

[Robaina] We share what has already been accomplished and what must be preserved at any cost. Some things must be modified to preserve the achievements that we deem essential. There are also many things that still have to be accomplished, a task in which everyone has a chance to participate.

[Martinez] Tell us about your position. How would you define Cuba's situation today? South Americans think it is complex.

[Robaina] It is complex not just for South Americans but for the entire world. The situation is complex. I do not like to make promises or talk about nonexisting prospects. The Cuban situation is very complex because it is not just a matter of salvaging or not salvaging. The problem is how to salvage the project we are fighting for in the midst of so many pressures and harassments.

[Martinez] It is obvious that you are speaking about the U.S. blockade. The question is: Do you think the blockade is the sole cause of Cuban problems?

[Robaina] No one can have any doubt that it is the single most important cause of all our difficulties. But to say that the blockade is the only cause of our problems would be untrue. The blockade is relative to the new situation, because with the resources we now have it is much more difficult to achieve what we would like to achieve regarding trade, exchange, and other things. We must also admit that a group of solutions in the purely economic field have not yielded good results. They did not produce the required results. There is a combination of many things, without doubt.

[Martinez] Among the many mistaken economic factors it is almost impossible to omit Cuba's absolute link with the former Soviet Union...

[Robaina] Without doubt. We paid a dear price for copying from them mechanisms that had nothing to do with our idiosyncrasy, our culture, or our traditions. But in order to fully understand this point we must not forget the blockade or our own problems.

[Martinez] I would prefer to continue to talk about the former Soviet Union. Do you accept that the link established at that time was a mistake?

[Robaina] There are many things that benefited us, and we cannot cover the sun with one finger. There are many things for which our people must be grateful to those who helped us save the project. The fact that the Cuban project is still alive is proof that we did not produce a mechanical copy. For the past four or five years the entire world has been thinking that it is Cuba's turn to fall because the world surrounding the USSR has already collapsed. We must change and adapt, but the single fact that we exist is proof that Cuba is not the same thing. Countries that made an exact and mechanical copy of the old system collapsed with it.

[Martinez] Yet while accepting it was a general mistake...there seems to be an inclination to establish a similar link with Beijing.

[Robaina] Our project started to lose the moment we moved away from our own reality. Today we are happy to be much closer to our roots. We are not going to stumble twice at the same hurdle. I do not think we should copy anything.

[Martinez] Let us now talk about domestic issues. There is an excess of money in the streets, a flourishing black market, and dollarization is obvious everywhere.

[Robaina] The most important thing is how to defend our project. There is a very difficult and complex situation out there. We must fight the excess of currency. We must face the consequences for lifting the penalty on the use of hard currency. In any other part of the world the situation would have been confronted with neoliberal measures, where the people's opinion does not count. We do not want to act that way.

[Martinez] But sometime you will have to act...

[Robaina] These are new things for us. For 35 years we have been engaged in other measures and another project. I think no one, not even our people, would forgive us if we decided to implement measures to solve the economic deficit at the cost of imposing sacrifice on the people.

[Martinez] You talk about sacrifice for the people. By the way, there are continuous rumors in Havana that sacrifice is imposed on the common people while political and military leaders live without any scarcities or without making any sacrifices... and there are even stronger rumors that some people live better every day in Cuba, but they are not the ones who walk the streets...

[Robaina] There is no doubt that during any difficult moment for any people—not just due to the internal situation, but also due to foreign hostility—people sow all types of discord. We are convinced that if anything has characterized our leaderships, it is the manner in which they live, suffer, and share the people's needs. It is true that some people took advantage of certain circumstances and that there were cases of corruption and privileges. When that happened there was an immediate and strong response, and the whole world is aware of the measures adopted. Today, as ever, we must share responsibilities and sacrifices.

[Martinez] It is difficult to understand how, in the midst of gasoline rationing, the streets are shared by new, very powerful, gasoline-consuming official vehicles and thousands of bicycles...

[Robaina] Cheap egalitarianism does not lead anywhere. If the decisions that are to be made are made at the speed of a bicycle we will never leave a period that we must leave.

[Martinez Soto] What are the prospects for better relations with the United States, a vital issue for the end of the 20th century?

[Robaina] I do not see reasons for an excess of enthusiasm. I think the only motivation is that the current administration does not use the same aggressive language as previous administrations. And that is something. This alone will not solve the problem; just because there is no aggressive language it does not mean the blockade has not been intensified. The problem here is one of mutual respect—not just with the United States but with anyone—for the establishment of normal relations. We will not sit at a negotiating table as subordinates. We believe, however, that there are positive talks. There are joint actions against drug trafficking, there are contacts among coast guards, and there are talks on a telecommunications deal. We can agree that neither Latin America nor Cuba are priorities in U.S. foreign policy. The current administration is already thinking about the possibility of reelection and the Cuban issue is very complicated for its domestic policy because it can jeopardize some votes. Unfortunately that is the situation.

[Martinez] Finally, an aspect that refers to Uruguay as a Latin American nation. Cuba played an essential role in supporting guerrilla movements that developed against our democracies. Today, although that period has ended, what guarantees are there for present governments that Cuba will no longer intervene?

[Robaina] Things happen at a given time and in response to a given moment. I am certain that today there are conditions in many countries of the continent, through negotiations and officially established channels, to enable all movements to express themselves. Cuba is not currently working, because that system does not work now, on anything to stimulate situations that might worry anyone. I think everyone knows to what extent true peace exists and to what extent we maintain it through the channels which are increasingly being imposed in our current times: negotiation, participation, and discussion. America is experiencing that process and Cuba is participating, above everything else.

[Martinez] What are your projections for Cuban foreign policy in 1994?

[Robaina] I think we cannot theorize very much here. Projections must be based on a future of much work. The Foreign Ministry's objective, today, is to take to the world the image of our project. I do not want to give merely a good image—I want to give the real Cuban image, with its good, average, and bad things. I do not want to be placed on the defendant's seat in court where every opinion will be heard except ours. Cuba must not go to the world just to answer questions; it also has many questions to ask.

Venezuela

Ochoa Calls Relations With Colombia 'Complicated'

PA1201020794 Caracas Venezolana de Television Network in Spanish 1550 GMT 11 Jan 94

[From "The News" newscast]

[Text] Venezuela is expecting a visit by Colombian Foreign Minister Noemi Sanin this Wednesday to sign a treaty regarding the extradition of Colombian convicts. Venezuelan Foreign Minister Fernando Ochoa Antich, meanwhile, said that the latest incidents at the Colombian border have complicated bilateral relations between the two countries. He said that repeated kidnappings, incursions into Venezuelan territory by Colombian guerrillas, and the incident involving a helicopter transporting a National Guard patrol have cast a shadow over the negotiations between Venezuela and Colombia.

[Begin recording] [Ochoa] As you know, they are currently in the middle of an election campaign in Colombia. We managed to keep the Colombian issue out of the political debate in Venezuela. Nevertheless, it is a leading issue in both countries that has created heated debates whenever there is a political process under way. I believe the current situation is the result of the heated debates in the Colombian election process.

[Unidentified reporter] Would you say the current state of relations between Colombia and Venezuela is optimal?

[Ochoa] Right now there is the helicopter issue. Venezuela has also filed claims regarding kidnappings, border safety, and the presence of guerrillas and illegal aliens in Venezuela. These are things that undoubtedly complicate bilateral relations. [end recording]

Roundup of Economic Developments Through 11 Jan

PA1101182594

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored through 11 January. The source is cited in parentheses following each item.

The consumer price index in Caracas increased 3.6 percent in December 1993, while the accumulated price index for the year reached 45.9 percent, compared to 31.9 percent in 1992. The Venezuelan Central Bank had estimated the 1993 inflation rate at 46 percent. (Hamburg DPA in Spanish 2121 GMT 4 Jan 94)

Lagoven, a subsidiary of Venezuelan Petroleum, purchased equipment and material manufactured in Venezuela for 28.507 billion bolivares, which is 68 percent of the company's total equipment investment in 1993. It was also reported that purchases abroad decreased $16.244 billion bolivares. (Caracas EL DIARIO DE CARACAS in Spanish 4 Jan 94 p 21)

According to the Central Statistics and Data Processing Office, the accumulated value of nontraditional exports through October 1993 was $2.964 billion, which is $491 million (19.6 percent) more than during the same period in 1992. According to the same source, the total import value between January and October 1993 was $9.364 billion, a reduction of 11.6 percent from 1992. (Caracas EL NACIONAL in Spanish 5 Jan 94 p 13)

On 5 January, the Superintendency for Foreign Investments reported new foreign investments in Venezuela in 1993 totaled $256.383 million. The leading countries were the Netherlands, $96.359 million; the United States, $37.965 million; Panama, $34.683 million; Bermuda, $21 million; and Spain $14.840 million. (Mexico City NOTIMEX in Spanish 1603 GMT 5 Jan 94)

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